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A QUANTITATIVE AND QUALITATIVE EVALUATION OF THE NATIONAL ENDOWMENT FOR DEMOCRACY, 1990-1999

A Dissertation

Submitted to the Graduate Faculty of the
Louisiana State University and
Agricultural and Mechanical College
in partial fulfillment of the
requirements for the degree of
Doctor of Philosophy

in

The Department of Political Science

by
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ABSTRACT

Billions of dollars have been spent to promote democracy and economic freedom through U.S. foreign aid, but little is known about its impact. The National Endowment for Democracy (NED) is the leading U.S. organization that promotes democracy and economic freedom throughout the world. Since its founding, NED has been the subject of immense discussion and controversy. The goal of this dissertation is to provide insight into the promotion of democracy and economic freedom through an analysis of NED's activities during the 1990s. The analysis does not find evidence that NED was successful at promoting democracy and economic freedom during the 1990s. Even though NED grant money appears to have been appropriately awarded to countries based on their need, the grant money did not have a significant impact on political and economic freedom. This calls into question the wisdom of using the U.S. government's scarce resources to promote democracy and economic freedom – not only through NED, but in any similar manner.

CHAPTER 1
PROMOTING DEMOCRACY AND ECONOMIC FREEDOM THROUGH UNITED STATES FOREIGN AID

INTRODUCTION

In the post-Cold War world, promoting democracy and economic freedom has become a cornerstone of United States (U.S.) foreign policy, and foreign aid has become the instrument of choice for their promotion. Even though billions of dollars have been spent to promote democracy and economic freedom through U.S. foreign aid, little is known about the impact that this money has had on political and economic freedom throughout the world. Even those who adamantly advocate democracy and free market promotion in U.S. foreign policy are unsure whether it really has a positive impact. Much of the evidence about the impact of democracy and free market promotion through foreign aid is based on anecdotal evidence, not sophisticated analysis of objective aggregate data gathered over a substantial period of time.

An objective and thorough analysis of political and economic freedom promotion through U.S. foreign aid is required so that the utility of the activity can be properly assessed. Such an analysis will help policy makers and the American people assess the value of this activity and help policy makers gain a better understanding of this often-used foreign policy tool, allowing them to make adjustments to U.S. democracy and free market promotion efforts that can improve its quality and effectiveness. This dissertation will provide such an analysis by using data on the grant activities of the National Endowment for Democracy (NED) – the most visible and most controversial U.S. organization devoted to promoting democracy and economic freedom – during the 1990s.

This rest of this chapter reviews the evolution of U.S. foreign policy in regard to democracy and free market promotion since World War II and provides the background needed to understand the role that democracy and free market promotion currently plays in U.S. foreign policy.

1950s – CONTAINING THE SOVIETS

The 1950s are regarded as the most frigid years of the Cold War. During the 1950s, foreign aid was a cornerstone of U.S. foreign policy regarding underdeveloped countries, but the promotion of democracy and economic freedom in underdeveloped countries was not a goal or motivation of U.S. foreign aid. U.S. foreign aid decisions were dictated by the Cold War and were almost exclusively based on geopolitical and security interests – the U.S. sought to "contain" Soviet expansionism (Carothers 1999, 19).

In the late-1950s, the U.S. and the Soviet Union were competing for influence in the world through their allocation of foreign aid. For both countries, foreign aid was considered a competitive endeavor that could eventually help determine which country and which ideology would conquer the world. The U.S. primarily used its foreign aid to preserve good relations with friendly countries and support friendly regimes – whether the regime was democratic or not. By helping these friendly regimes remain in power, the U.S. believed that it could immunize these third world countries from the spread of communism. Unfortunately, the policy of containment did not embody a proactive, comprehensive strategy for promoting U.S. interests; instead, it was a policy that reacted

to Soviet foreign policy activity (Carothers 1999, 19; Heymann 1960, 525 and 534; Macdonald 1995-1996).

1960s – KENNEDY'S MODERNIZATION

When President John F. Kennedy took office at the start of the 1960s, he faced a difficult and hostile international political environment. U.S. foreign policy thought and action had been dictated by rabid anticommunism, especially in regard to the third world. In the third world, the U.S. saw itself in a "zero-sum game" with the Soviet Union – no coexistence was possible. The two superpowers were looking to expand their power, and the countries of the third world appeared to be ripe for influence. The U.S. and the Soviet Union were in competition for allies, and the Soviet Union – at the start of the 1960s – appeared to be winning. Communist regimes were coming to power throughout the third world, and non-communist regimes were beginning to be challenged by pro-communist political movements. The Kennedy administration decided that U.S. foreign policy toward the third world was not working. Kennedy wanted to initiate a new policy that would not only be more effective in fighting the spread of communism, but would also focus on improving the lives of people in the third world (Carothers 1999, 19-21; Forsythe 1990, 438; Mahajani 1965, 658; Packenham 1966 and 1973; Zakaria 1990, 390).

The Kennedy administration based its new policy on "modernization theory" – a theoretical framework for thinking about third world development described and advocated by future Kennedy foreign policy adviser W.W. Rostow in his book *The Stages of Economic Development* (1960). Modernization theory holds that U.S.

economic assistance to a third world country will help bring about the wealth, education, and societal structure (the "preconditions" of democracy as concluded by Seymour Martin Lipset in his influential 1959 article in the *American Political Science Review*) needed to bring democracy to the country.

Therefore, U.S. foreign aid can help third world countries develop economically and, as a result, develop democratically by making carefully targeted infusions of foreign aid that would "launch" these countries into "economic takeoff." Modernization theory saw development as a predictable, linear process that eventually resulted in a developed country that had political and economic qualities similar to those found in the U.S. By helping these countries develop economically and politically, modernization theory also held that they would be much less fertile ground for communism (Almond and Coleman 1960; Apter 1965; Rostow 1960).

To help fulfill the promise of modernization theory and become more positively involved in the third world, the Kennedy administration created the U.S. Agency for International Development (USAID) and the Peace Corps. Both focused their efforts largely on Latin America, but were also active in Africa, Asia, and the Middle East. The Kennedy administration's emphasis on Latin America resulted from Fidel Castro's 1959 rise to power in Cuba. The U.S. feared that the communist takeover in Cuba could spread to the rest of Latin America and eventually pose a threat to U.S. security.

In addition to focusing a large proportion of the activities of USAID and the Peace Corps on Latin America, the Kennedy administration, in 1961, founded the "Alliance for Progress." The Alliance for Progress was an economic aid program that

originally focused on bringing economic development and democracy to countries in Latin America as a means for fighting communist influence. However, the Kennedy administration underestimated the dire situation – intense poverty, lack of education, lack of civil rights, etc. – that every Latin American country faced in the early-1960s. As a result, the Alliance for Progress pursued its goals vigorously, but was unable to help bring any countries closer to democracy (Carothers 1999, 22; Levinson and de Onis 1970; Packenham 1973; Scheman 1988; Smetherman and Smetherman 1971; Smith 1994).

In fact, after the Kennedy administration gained some experience in dealing with Latin America, the Alliance for Progress abandoned its focus on promoting democracy and economic freedom and focused exclusively on improving the standard-of-living in the region's countries, regardless of their regime-type (Smetherman and Smetherman 1971). This new ambivalence toward regime-type meant that many of the countries that the Alliance for Progress was most active in were either dictatorships or eventually became dictatorships. Since the U.S.-friendly dictators were vehemently anticommunist, the Kennedy administration grudgingly accepted the situation. Later in the decade, President Lyndon Johnson turned this grudging acceptance into open support for friendly dictators (Carothers 1999, 22; Cingranelli and Pasquarello 1985, 539; Schoultz 1981, 150).

In the late-1960s, USAID foreshadowed much of what was to come in the field of democracy promotion in the 1990s. USAID began to use, especially in Latin America, foreign aid to support education programs for citizens, legislatures, legal institutions,

labor unions, and local governments. While democracy was part of the motivation for these innovative programs, anticommunism was the driving force behind them. Ironically, these pro-democracy education programs were taught in countries run by U.S.-friendly dictators who did not feel threatened by them (Drezner 2000, 741; Packenham 1966, 209-210).

The Kennedy administration also worked with Congress to formalize the link between foreign aid, democracy, and economic freedom in Title IX of the Foreign Assistance Act of 1961. The administration and Congress both saw that U.S. aid to third world countries tended to only benefit the countries' elites and was not helping the intended beneficiaries – the country's destitute and disenfranchised. They realized that U.S. aid was actually working against democracy and economic freedom in these countries by reinforcing the dominance of undemocratic regimes that strictly controlled their economies. For the first time in U.S. foreign policy, Title IX explicitly stated that U.S. foreign aid was to be used to promote political and economic participation in third world countries. Title IX spawned a lot of discussion and academic research, but it was never fully implemented and had relatively little impact (Carothers 1999, 22-23; Frank and Baird 1975, 148; Lyman 1970; Packenham 1973).

The Johnson administration continued many of the new foreign policy initiatives of the Kennedy administration. However, the Vietnam War eventually became the exclusive focus Johnson's foreign policy and brought a renewed emphasis to countering Soviet expansion (Forsythe 1990, 438; Mahajani 1965, 664). Therefore, at the end of the 1960s, U.S. foreign policy was in upheaval. The Kennedy administration's ideas on the

use of foreign aid to help third world countries appeared to have failed. U.S. leaders were disillusioned with the use of aid funds in the third world. They knew that, despite large increases in spending during the 1960s, third world countries remained poor, and pro-communist sentiment had dramatically increased in them (Carothers 1999, 27; Frank and Baird 1975, 144).

The final blow to Kennedy's foreign policy strategy came when its theoretical framework – modernization theory – came under sharp attack in the academic world. In 1968, Samuel Huntington's *Political Order in Changing Societies* not only questioned modernization theory, but it cogently argued that economic development in underdeveloped countries actually led to authoritarianism, instead of democracy. Huntington claimed that economic "takeoff" in a poor country would lead to widespread instability within the country. This instability would make the country fertile ground for authoritarianism, not democracy (Huntington 1968).

1970s – DÉTENTE AND HUMAN RIGHTS

The Vietnam War left U.S. foreign policy in chaos. Many in government and academia saw the need for U.S. foreign policy to move beyond the Cold War and its rivalry with the Soviet Union. In the early-1970s, the administration of President Richard M. Nixon challenged Cold War thinking by introducing the concept of "détente." Détente sought to improve relations with the Soviet Union and hoped to provide stability in the international system through recognition of Soviet economic and military parity with the U.S. The Nixon administration hoped that recognition of Soviet power by the U.S. would prompt the Soviets to accept the status quo in world affairs and result in the

end of the Soviet's expansionist foreign policy. Improving U.S. relations with the Soviet Union also held the possibility of drawing the Soviets further into the global economy. The Nixon administration thought that, if the Soviet Union were more dependent on the global economy, it could be more easily influenced and would have a greater interest in preserving system stability (Cox 1990, 32-33; Skidmore 1993-1994, 699).

In pursuing détente, the Nixon administration focused almost all of its foreign policy on superpower relations. Nixon's foreign policy appeared to have little interest in helping poor countries or providing any type of humanitarian aid (Carothers 1999, 28). While détente could herald important accomplishments, it did not halt the expansion of Soviet influence throughout the world and was heavily criticized by the U.S. foreign policy establishment (Cox 1990, 33).

The administration of President Jimmy Carter faced the same foreign policy challenge as Nixon's. The U.S. was still desperately searching for a new foreign policy identity. Nixon's détente had not successfully filled the void. Carter's solution was to make human rights a central foreign policy issue. Carter's focus on human rights provided the U.S. with an idealist foreign policy mission that appealed to a country that was weary of the Cold War (Carothers 1999, 28; Skidmore 1993-1994, 699 and 701; Williams 1987, 577).

However, the Carter administration never developed an overall strategy to guide its human rights policy and did not have many successes (Carothers 1999, 29; Forsythe 1990, 443; Williams 1987, 579). The policy was used on a case-by-case basis and was frequently ignored when the human rights abuser was a powerful or strategically

important country (Forsythe 1990, 443). Near the end of Carter's presidency, the emphasis on human rights disappeared as Soviet antagonistic behavior – for example, the invasion of Afghanistan – caused the Carter administration's optimism about world affairs to wane. At the close of his presidency, Carter's foreign policy returned to the traditional Cold War posture – the U.S. became more aggressive in countering Soviet expansionism in the third world and a rapid U.S. military buildup began (Skidmore 1993-1994, 701-702).

1980s – THE "RE-FREEZE" AND THE THAW

Following a decade of failed foreign policy innovation, President Ronald Reagan began his eight years in office determined to return U.S. policy to its traditional Cold War roots. The Reagan administration explicitly rejected Nixon's détente and Carter's emphasis on human rights and sought a complete return to a traditional Cold War foreign policy (Anderson and Kernek 1985, 392 and 394; Williams 1987, 579; Zakaria 1990, 373). The rise to power of the Sandinistas in Nicaragua combined with strong communist movements in Guatemala and El Salvador convinced the Reagan administration that the Soviets were attempting to undermine U.S. security through an ideological takeover of Central America. To combat the specter of Soviet influence, friendly relations were reestablished with the anticommunist dictators that President Carter had quarreled with over human rights issues in the late-1970s. As was true during many periods of the Cold War under other U.S. Presidents, Reagan's foreign policy in the early-to-mid 1980s valued anticommunism above democracy and free markets and

focused its assistance on keeping Soviet influence in check (Anderson and Kernek 1985, 392 and 397; Carothers 1999, 33; Lafeber 1984, 1 and 10-23; Zakaria 1990, 378).

The main foreign policy doctrine for fighting Soviet expansion was the "Reagan Doctrine." It held that the U.S. would aggressively support anticommunist revolutionary movements throughout the third world. By doing so, the Reagan administration hoped to "turn-the-tables" on the Soviet Union and pose the same expansionist threat to the Soviets that they posed to the U.S. (Cox 1990, 34; Lagon 1992, 39-70; Williams 1987, 579 and 581). In the eyes of many observers, the aggressiveness of the Reagan Doctrine and the harsh anti-Soviet public statements of President Reagan launched a second Cold War (Ward and Rajmajra 1992, 343).

In Reagan's second term, a more moderate U.S. foreign policy emerged. As relations with the Soviet Union improved, the administration's adamant support for anticommunism in Central America moderated into genuine support for democracy and economic freedom in the region (Anderson and Kernek 1985, 392 and 397; Lafeber 1984, 1 and 10-23; Zakaria 1990, 378). The main focus of Reagan's democracy promotion in Central America was election assistance. Its first use occurred in 1982 when the U.S. paid to automate voter registration in El Salvador's Constituent Assembly elections. In the mid-to-late-1980s, the U.S. expanded its use of election assistance and provided aid to Guatemala, Honduras, Haiti, and Chile (Carothers 1991). This assistance contributed to the strides made toward democracy in these countries.

The Reagan administration extended this pro-democracy aid to few countries outside of Central America. The most notable example was the Philippines. In 1985,

Philippine leader Ferdinand Marcos – whose pro-U.S. regime was slowly crumbling – surprised his country and the U.S. by calling for elections. U.S. election assistance helped uncover the illegal nature of the elections and, in a later election, led to the defeat of the Marcos regime. Since U.S. election assistance was instrumental in the downfall of a fervent, anticommunist U.S. ally, the international community gave great credibility to future U.S. election assistance, seeing it as a legitimate tool for promoting open and honest elections. However, in other Asian countries, the U.S. made little effort to promote democracy and continued to follow the Cold War strategy of supporting anticommunists, whether they were democratic or not (Carothers 1999, 37-38; Jacoby 1986; Zakaria 1990, 390)).

The genuine support for democracy and economic freedom shown by the Reagan administration in the latter part of the 1980s should not have surprised the international community. Early in his presidency, Reagan, in a speech to the British Parliament, publicly advocated a "crusade for freedom" in which the U.S. would come to the aid of reformers around the world in their fight for democracy and economic freedom (Kondracke 1989, 10; Weigel 1993, 3). Reagan followed this speech by presenting two policy proposals to Congress aimed at carrying-out this crusade. The first proposal was entitled "Project Democracy." This far-reaching program was to be coordinated by the U.S. Information Agency (USIA) and would be the centerpiece of U.S. democracy and economic freedom promotion efforts. The second proposal was meant to compliment the first by providing a vehicle for promoting democracy and free markets in a more indirect, non-governmental way. It intended to create NED, a foundation that would promote

democracy primarily through acquiring and disseminating books, films, and other materials to reformers around the world (Palmer 1993, 2759). Both proposals went before Congress in 1983.

Ironically, the broader proposal – Project Democracy – failed (but was later passed), while its complimentary proposal – NED – passed immediately (Carothers 1994, 125-126). This outcome resulted in NED becoming a primary focus of U.S. efforts to promote democracy and economic freedom around the world. As a quasi-governmental organization, NED's activities are separate from the U.S. government's and details about the organization's activities are not public. While the Reagan administration was using official U.S. foreign policy in the late-1980s to promote democracy and economic freedom in Central America and other countries, NED was already active in promoting democracy and free markets throughout the world. Before the end of the Cold War, NED was aiding reformers in the Soviet Union, Poland, Hungary, and Czechoslovakia even though U.S. foreign policy would not allow official U.S. involvement in these communist countries (Carothers 1999, 39).

1990 AND BEYOND – FREEDOM PROMOTION REIGNS

By the end of the 1980s, the promotion of democracy and economic freedom was an integral part of U.S. foreign policy. The momentum gained by democracy promoting activities such as election assistance in the late-1980s carried forward into the 1990s and received a tremendous boost when communism collapsed. The end of the Cold War and the breakup of the Soviet Union dramatically elevated the importance of democracy and free market promotion in U.S. foreign policy. In reaction to the fall of communism, the

U.S. quickly expanded its assistance into the former Soviet Union and Eastern Europe in order to keep the former communist states moving toward democracy and a free economy. Both President Bush and President Clinton openly discussed this increased emphasis on democracy and free market promotion and made it the central theme of how the U.S. interacted with the post-Cold War world (Carothers 1999, 40-42; Miller 1994, 626).

In justifying the priority placed by the Clinton administration on democracy and free market promotion, Clinton and his foreign policy advisers cite academic research showing that democracies do not fight each other and economically interdependent countries have much more peaceful relations than countries that are economically isolated – both a "democratic peace" and a "liberal peace" exist. The democratic peace and liberal peace propositions provide a strong argument for placing a priority on promoting democracy and free markets. If democracies and economically interdependent countries do not fight each other, then more democracies and more free markets in the world will help make the world a safer place. A large body of empirical evidence exists supporting the democratic peace proposition (Chan 1984, Maoz and Abdolali 1989, Russett 1993, Small and Singer 1976, Weede 1984) and the liberal peace proposition (Mansfield 1994; Oneal and Ray 1997; Oneal and Russett 1997 and 1999; Oneal, et al 1996; Reuveny and Kang 1996; Russett, et al 1998), and both are among the most analyzed and discussed subjects in recent academic research.

According to democratic peace theorists, democracies have structural and normative restraints that make them more pacific. The structural restraint hypothesis

states that checks and balances, division of power, and the need for public support for decisions prevent military conflict. First, the decision to go to war could be vetoed by another branch of government. Second, the length of time needed to extract consent from the other branches of government and from the public – if ultimately given – allows time for tension to wane. By delaying the finalization of the war decision, time for negotiation and reassessment results – a cooling-off period. This lessens the impact of emotion and haste on the decision-making process, resulting in a more rational decision-making process by the country's leadership (Russett 1993, 40).

The normative restraint hypothesis revolves around so-called "democratic norms." The democratic norms include a belief in regulated political competition and in compromise solutions to conflicts. Democracies possess these beliefs in regard to their own internal politics. They externalize these norms in their interactions with other countries (Russett 1993, 33). The democratic norm of regulated political competition facilitates peace by taking the sense of injustice out of interstate competition. Democracies are less likely to take offense at the fair, competitive practices of other countries because competition typifies their domestic political climate. Therefore, democracies will not allow disputes over fair, competitive practices to escalate into violence. However, even democracies object vehemently when they are harmed by the unfair competitive practices other countries. In conflicts over unfair competitive practices, the second democratic norm – belief in compromise solutions to conflicts – helps keep democracies from going to war. If the conflict is serious enough that war

could result, the use of force will only occur after all diplomatic solutions have been exhausted.

Liberal peace theorists argue that economic interactions between two countries help to create an interdependent relationship between the countries. This relationship gives each country a stake in the well-being of the other. It also gives each country a powerful incentive to help preserve and perpetuate the well-being and stability of the international system. Countries dependent upon international economic activity to maintain their standard-of-living will avoid engaging in any activity that threatens important trade partners or threatens to disrupt the international system. Therefore, increased economic interactions among countries promotes accommodation instead of conflict (Oneal and Russett 1997, 269-270). Increased economic interactions also promote greater communication and familiarity among countries. This helps to limit misunderstandings and promote compromise (Mansfield and Pollins 2003, 3). Democracies that have a free market economy are especially pacific because a free market reinforces the structural and normative constraints on war. A free market makes the economic impact of war-decisions even more salient – political leaders and the public will be less likely to support any activity that threatens an important economic partner or threatens the stability of the international system (Oneal and Russett 1997, 270).

CONCLUSION

Even though billions of dollars have been spent to promote democracy and economic freedom through U.S. foreign aid, little is known about the impact that this money has had throughout the world. Even those who adamantly advocate democracy

and free market promotion in U.S. foreign policy are unsure whether it really has a positive impact. Some agencies and organizations that engage in this activity have performed evaluations of their own programs, but the risk of bias is inherent in these self-evaluations, rendering them unreliable. This may help explain why their conclusions have overwhelmingly been positive, and the failures of their efforts tend to not be assessed as vigorously as their successes. Also, their conclusions have been based on anecdotal evidence that is subject to selection bias and, therefore, cannot be the source of conclusions that can be generalized to all cases with any degree of confidence (Carothers 1994, 47 and 196).

Insight into the impact of foreign aid in promoting democracy and economic freedom has also not been readily forthcoming from academia. Academic writings on democracy and free market promotion tend to be descriptive, not analytical, and have focused almost exclusively on case studies instead of aggregate data analysis. While the case studies have provided great insight into specific instances of democracy and free market promotion through foreign aid, the very nature of case studies makes generalizing their conclusions problematic (Carothers 1994, 181).

An objective and thorough analysis of democracy and economic freedom promotion through foreign aid is required so that the utility of the activity can be properly assessed. Such an analysis would serve two important purposes. First, it would help policy makers and the American people assess the value of this activity. Second, it would help policy makers gain a better understanding of foreign aid's effectiveness in

promoting democracy and economic freedom, allowing decision makers to make adjustments to U.S. promotion efforts that could improve its performance.

This dissertation will perform such an analysis by evaluating the grant-making program of the most visible and controversial U.S. organization that uses foreign aid to promote democracy and economic freedom – NED. As mentioned above, details about NED's activities are not public, and, as shown in Chapter 2, the organization is shrouded in a great deal of mystery and controversy. The data analyzed in this dissertation on NED grant-making in the 1990s is not readily available, and this dissertation represents the first time that complete data on NED grant activity in the 1990s is presented and analyzed. Therefore, this dissertation contributes badly needed objective knowledge about the effectiveness of democracy and economic freedom promotion and contributes new details about NED's activities that will help end the mystery and controversy surrounding the organization.

This chapter introduces the reader to democracy and free market promotion and gives an overview of the dissertation and its goals. Chapter 2 provides a profile of NED, discussing the makeup of the organization and all of the issues that surround its activities. Chapter 3 provides an overview of NED grant-making during the 1990s, revealing the leading recipients of NED assistance and the trends that occurred in NED grant-making during the decade. Chapters 4 and 5 use data from the 1990s to analyze NED's grant-making program. It looks at the organizations that receive NED grants (Chapter 4) and whether these grants have been effective at promoting democracy and economic freedom (Chapter 5). Chapters 6 and 7 analyze NED grant activity in Nicaragua and China,

respectively, using the case study method. Much like Chapters 4 and 5, the case studies look at the organizations that received NED grant money in these countries, and whether the money helped contribute to greater political and economic freedom. In addition, these chapters provide information on how NED grant money was used in these countries. Chapter 8 concludes the dissertation by summarizing its findings and drawing broader conclusions about the promotion of democracy and economic freedom through U.S. foreign aid based on the insights gained from the preceding chapters.

CHAPTER 2
AN OVERVIEW OF THE NATIONAL ENDOWMENT FOR DEMOCRACY

As a political creation, the NED is undoubtedly a masterpiece, the Sistine Chapel of our legislative arts. Like all great works of art, it stirs the greatest wonder and awe.

Samuels 1995, 52

INTRODUCTION

The National Endowment for Democracy (NED) is a quasi-governmental organization that promotes democracy and economic freedom around the world. Since its founding, the organization has been the subject of much discussion and controversy. This chapter will present an overview of NED, detailing its origin, mission, history, and the debates that surround it. The chapter's goal is to show that further research into the organization and its activities is needed.

Compiling an objective overview of NED is difficult because the vast majority of information about the organization comes from sources that are highly critical of the organization. Unfortunately, NED and its supporters have not been as vocal in their support of the organization as NED's critics have been in their criticism. This means that negative information on NED is abundant and positive information is scarce. The following overview attempts to give fair representation to both NED's critics and supporters, but the lack of positive information on the organization makes this extremely difficult.

NED'S ORIGIN

On June 8, 1982, United States (U.S.) President Ronald Reagan spoke to the British House of Commons. In his address, Reagan advocated the beginning of a "crusade for freedom" in which the U.S. would come to the aid of democrats around the

world in their fight for freedom (Kondracke 1989, 10; Weigel 1993, 3). Following his speech, the Reagan administration presented two policy proposals to Congress aimed at carrying-out this crusade.

The first proposal was entitled "Project Democracy." This far-reaching program was to be coordinated by the U.S. Information Agency (USIA) and was to be the centerpiece of U.S. freedom promotion efforts (Carothers 1994, 125-126). The second proposal was meant to compliment Project Democracy by providing a vehicle for promoting freedom in a more indirect, non-governmental way. The proposal intended to create NED, a foundation that would promote political and economic freedom primarily through acquiring and disseminating pro-democracy and pro-free market books, films, and other materials to reformers around the world (Palmer 1993, 2759).

Both proposals went before Congress in 1983. Ironically, the broader proposal – Project Democracy – failed (but was later passed). However, its complimentary proposal – NED – passed immediately (Carothers 1994, 125-126). This outcome resulted in NED becoming a primary focus of U.S. efforts to promote freedom around the world.

WHAT WAS CREATED

NED came into being in 1984. Its mission is to assist in the "development of democratic institutions, procedures and values" in other countries. This means that NED financially supports projects that attempt to expand political and economic freedom in countries around the world (NED, <http://www.ned.org/page_1/nedbro.html>). NED defines democracy as the following:

> The right of the people freely to determine their own destiny. The exercise of this right requires a system that guarantees freedom of expression, belief and association, free and competitive elections, respect for the inalienable rights of individuals and minorities, free communications media, and the rule of law.
>
> NED, <http://www.ned.org/page_1/nedbro.html>

The organization asserts that a democratic system must be tailored to "local needs and traditions" and have open, spirited competition among groups and ideas in society in order for freedom to thrive (NED, <http://www.ned.org/page_6/nedstmt.html>).

NED engages in a genre of assistance – political assistance – aimed at developing the mechanics of democracy within a society. While "political assistance" is the term-of-art used to describe NED's activities, a more accurate and lucid description of NED's activities would be "assisting democratic consolidation," since all of NED's activities are aimed at helping a country develop into a full-fledged democracy (Carothers 1995, 66).

NED's assistance typically takes on three forms. First, helping to develop the political institutions that are required for democracy, with a special focus on developing meaningful political parties (Diamond 1995, 40 and 41). Second, helping to prepare, conduct, and monitor elections in order to assure fair outcomes (Diamond 1995, 40 and 44). This "electoral assistance" has been the most visible and common form of assistance provided by NED over the past ten years (Carothers 1995, 66). Third, NED helps to strengthen civil society by assisting independent organizations to develop and thrive. These independent organizations help heighten public awareness of both its rights and the actions of its government, encourage a tolerant political environment that is conducive to compromise, and mobilize groups that are excluded from the political arena – usually women and minorities (Diamond 1995, 40 and 46).

In addition to "political" assistance, NED provides "ideological" assistance to democrats around the world. From its genesis, a goal of NED was to create a "worldwide community of democrats" that share ideas, experiences, and resources about how democracy can be achieved and sustained. To attain this goal, NED began publishing the *Journal of Democracy* as a resource that democrats could turn to for the latest information on the fight for democracy around the world and the latest academic studies on democratization. It also created the Democracy Resource Center as an information clearinghouse for contacts and information that would be useful to those struggling for democracy.

Finally, NED began holding regular conferences that allow democrats to network with each other. Face-to-face interaction at these conferences – it is hoped – allows for a greater bond between democrats, giving a sense of solidarity to the democracy movement (NED, <http://www.ned.org/page_1/nedbro.html>). As a result of these efforts, NED has become "a center of democratic ideology," promulgating much of the intellectual thinking on democratization and serving as an important resource for many democracy movements (Robinson 1996, 99). Partly because of NED's work, a more unified movement for democracy can be seen in the world – a "democratic international" has begun to appear (Diamond 1992, 41; Progressive Policy Institute, <http://www.dlcppi.org/texts/foreign/amerfp.txt>)

NED is funded by an annual appropriation from Congress, giving it a direct link to the U.S. government. It has an independent board of directors that controls it day-to-day operations (Carothers 1994, 126; Diamond 1995, 16; Muravchik 1992, 142). This

combination of public funding and private control has made classifying NED a contentious issue.

Despite claims by NED and its supporters that the organization is not an arm of the U.S. government (Muravchik 1992, 204; NED, <http://www.ned.org/page_1/nedbro.html>), NED is widely perceived by leaders in Washington, D.C., and – more importantly – by leaders around the world as a governmental entity (Carothers 1994, 129; Robinson 1996, 93; Sims 1990, 4). An accurate representation of NED's status seems to fall somewhere between categorizing the organization as totally dependent on the U.S. government and categorizing it as totally independent of the U.S. government. NED should be categorized as a quasi-governmental institution because it is tied to the U.S. government for funding, but has the freedom – independent of the U.S. government – to decide how it will utilize its funding (Robinson 1996, 92; Weigel 1993, 3).

NED promotes political and economic freedom through direct and indirect grants to groups. All NED grants are aimed at encouraging political development in five functional areas – pluralism; democratic governance and political processes; education, culture, and communications; research; and international cooperation (NED, <http://www.ned.org/page_1/about.html> and <http://<www.ned.org/page_6/nedstmt.html>).

Grant applications – for both direct and indirect grants – must contain a one-page summary of the proposed program, a summary of the applicant's background, a complete project description, a statement that explains how the project fits into NED's goals, a

detailed budget, and a list of all other prospective sources of funding. Proposals from individuals are not accepted. Grant applications are reviewed quarterly by NED's board of directors. The board evaluates each application according to how it fits within NED's overall activities, its urgency, its ability to be successful, and the credibility and track-record of the applicant (NED, <http://www.ned.org/page_1/nedbro.html>).

Direct grants are made through NED's discretionary grant program. These grants are awarded to groups in unfree countries and are typically smaller than indirect grants. The types of activities they support include publishing, training journalists, promoting civic education, and monitoring human rights (Carothers 1994, 127-128).

Indirect grants are made through NED's four core grantees – the National Democratic Institute for International Affairs (NDI), the International Republican Institute (IRI), the American Center for International Labor Solidarity (ACILS), and the Center for International Private Enterprise (CIPE) – that represent both major U.S. political parties, U.S. labor, and U.S. business. In making indirect grants, NED money is allocated to a core grantee that makes the decision as to which groups should be grant recipients. In a typical year, over two-out-of-three-dollars authorized to NED by Congress eventually goes to its core grantees, giving them control over who gets NED money and in what amounts (Carothers 1994, 126; Diamond 1995, 16; Muravchik 1992, 207).

The rationale for this dependence on the core grantees is that they are better informed than NED about the organizations, labor unions, and business entities that comprise the bulk of grant applicants. This makes their judgment more reliable in

identifying worthy applicants. NDI and IRI focus their attention on countries undergoing democratic transitions. They support activities such as observing elections, civic education, and party building. ACILS – formerly known as the Free Trade Union Institute (FTUI) – focuses on developing and strengthening independent trade unions in non-democratic countries. CIPE exclusively works for free markets and more private enterprise in non-democratic countries (Carothers 1994, 127; Progressive Policy Institute <http://www.dlcppi.org/texts/foreign/amerfp.txt>). CIPE attempts to synchronize its market reforms with whatever political reforms are occurring within the country (Robinson 1996, 103).

NED'S RELATIONSHIP WITH THE CIA

NED's political assistance is reminiscent of the type of activities that the U.S. Central Intelligence Agency (CIA) has previously engaged in (Shipler 1 June 1986, A1). This has led most observers – including many NED supporters – to conclude that NED is attempting to do overtly what was done covertly by the CIA in the past (Muravchik 1992, 142-144; Robinson 1996, 87; Sims 1990, 4, 11, and 14).

In the 1970s, the CIA and its image were damaged by negative revelations unearthed by the Church committee, the Pike committee, and the Rockefeller Commission. Many observers contend that NED provides a way for political actions that were formerly performed covertly by the CIA to be performed overtly without being tarnished through association with the CIA (Robinson 1996, 87). By being overt and avoiding a CIA connection, the legitimacy of U.S. political assistance around the world increased substantially (Robinson 1996, 88). In order to avoid the taint of the CIA's

negative image, NED has been careful to avoid any links with the CIA ("Reagan's 'Foreign Aid' for Democracy" 1983, 54).

NED'S HISTORY

To facilitate a better understanding of NED and the issues surrounding it, the following reviews the organization's history. The review focuses on cases from NED's past that have received the most attention from politicians and the media. The cases are discussed in chronological order and include the following: the fallout from Iran-Contra, the funding of extremist groups in France, the 1988 Chilean plebiscite, the 1989 Nicaraguan election, and the 1994 Congressional authorization fight.

The Other "Project Democracy"

When Congress voted against the establishment of "Project Democracy" in 1983 and then, later, voted to implement it, no one expected that "Project Democracy" would become one of the most controversial programs in U.S. history. The "Project Democracy" that failed and then finally passed Congress was an overt, Congressionally-authorized attempt to promote democracy around the world. Another "Project Democracy" – a covert attempt to oust the Sandinistas from power in Nicaragua – almost destroyed the Reagan administration (Brinkley 15 February 1987, A1). The taint from the covert "Project Democracy" – even though it was not associated with the overt "Project Democracy" or any other U.S. democracy promotion program – had the potential to ruin the image of these legitimate programs ("Private, Secret Government" 17 February 1987, A22).

The covert Project Democracy was implemented after Congress restricted aid to Nicaragua's Contras in 1984. Under the leadership of Lieutenant-Colonel Oliver North and in violation of Congress' orders, Project Democracy kept money flowing to the Contras. In effect, a secret, invisible "second government" was created to carry-out foreign policy operations that Congress would not approve ("Private, Secret Government" 17 February 1987, A22). Unfortunately, Lt.-Col. North used the name of a legitimate, Congressionally-approved program for his own secret program ("The Good Project Democracy" 13 March 1987, A34).

Recognizing the potential damage that could be done to NED, its supporters quickly came to its defense once the details of Lt. Col. North's secret program surfaced. This quick response was a preemptory response to anyone who would attempt to spread the taint of the Iran-Contra scandal to NED. The most powerful of these responses came from former Vice President Walter Mondale and Republican National Committee Chair Frank Fahrenkopf. Both had strong links to NED, having served on the board of either the organization or one of its core grantees for many years in the past. They co-authored an editorial in the February 23, 1987, *New York Times* in which they praised NED and excoriated Lt.-Col. North's Project Democracy. The main point of the editorial was to show that the covert Project Democracy was totally unrelated to NED (Mondale and Fahrenkopf 23 February 1987, A22). Efforts to protect NED gained momentum when the U.S. government's official analysis of the situation found no links between Lt.-Col. North's Project Democracy and any of the overt democracy promoting aspects of the U.S. government.

In retrospect, the Iran-Contra revelations had little impact on NED or any other U.S. freedom promoting program. The nervous reaction of NED supporters shows the fear that exists of being associated with covert operations. Such an association could make NED appear to be just another "sinister" instrument of illegitimate U.S. manipulation of other countries ("The Good Project Democracy" 13 March 1987, A34).

France?

On November 28, 1985, *The New York Times* broke a story about NED that surprised all of Washington and even troubled some of NED's strongest supporters – NED was giving grant money to groups in France. The article and many observers questioned why the U.S. would be promoting democracy in France. Was France's democracy in danger and in need of aid? The answer was clearly "no," so NED activity in the country seemed odd. Two organizations received grant money – the National Inter-university Union (UNI) and *Force Ouvriere*. Both groups fervently opposed French President Francois Mitterand's policies (Bernstein 28 November 1985, A8).

UNI was a student organization founded in 1969 as a response to the left-wing student demonstrations that occurred that year. The organization called itself "anti-communist" and was known for being on the extreme right of the political spectrum (Bernstein 28 November 1985, A8). UNI was an "offshoot" of a paramilitary, nationalist organization called the Service for Civic Action – a group that had been outlawed in France after it was held responsible for six killings in South France in 1981 (Bernstein 28 November 1985, A8; "Perils of Pushing It" 1986, 26; Schapiro and Levy 1985, 11; Shipler 1 June 1986, A1). It had also been linked to other killings, as well as drug

smuggling. In all, UNI had received $575,000 from NED (Bernstein 28 November 1985, A8).

Force Ouvriere was a right-wing labor union composed of foreign trade union activists that come to France from other countries in which they had been persecuted. *Force Ouvriere* had a strong anti-communist reputation and was battling with socialist labor unions in France for supremacy. It had received $830,000 in NED funds (Bernstein 28 November 1985, A8).

Speculation over why the two groups were receiving NED funds centered around their strong opposition to President Mitterand and his socialist ideology. If this was the motivation, the U.S. could have been seen – and was seen by many – as attempting to help indirectly undermine Mitterand's government and its policies. This appearance could have damaged U.S.-France relations and have had far-reaching implications for U.S. relations with the rest of the world. Other countries could ask the following question: if the U.S. would do this to a friendly government, what would it do to an enemy?

NED did not offer an explanation for its involvement in France. The organization simply cut all funding to the groups and made no mention of the issue in any of its official reports or statements. The French government also did not make an issue of the grants, helping to avert any potential long-term damage to U.S.-France relations.

1988 Chilean Plebiscite

In October 1988, Chile held a plebiscite in which its citizens voted on whether to retain the government of General Augusto Pinochet. If a majority voted in favor of the

military leadership, it would remain power. If a majority voted against the military government, competitive elections would be held within a year to elect a new government (Christian 15 June 1988, A14).

Officially, the U.S. government was neutral about the Chilean plebiscite, but it recognized that the plebiscite was an opportunity for Chile to take a large step toward democracy. Seizing the moment, the U.S. became involved in Chile through NED. From its own funds, NED sent $600,000 to opposition groups in Chile. Many of these groups were reluctant to accept the money because they were uncomfortable using foreign money to influence Chile's domestic politics. However, most groups did eventually accept the money because they recognized that their chances of winning without it were unlikely (Christian 15 June 1988, A1). Congress later gave NED another $1 million to distribute in Chile. Pinochet's government made U.S. support for its opposition a central campaign issue, but was unable to win the plebiscite (Christian 15 June 1988, A14).

NED and its supporters cite the 1988 Chilean plebiscite as one of NED's great triumphs. They claim that NED money and other money distributed by the organization allowed the opposition to register voters and get people to the polls. NED assistance also helped the opposition with campaigning and advertising. Without this help, the defeat of Pinochet's government may not have happened (Progressive Policy Institute, <http://www.dlcppi.org/texts/foreign/amerfp.txt>).

1989 Nicaraguan Election

Only two years after the Iran-Contra scandal subsided, NED became involved in Nicaragua's 1989 elections by giving overt political assistance to opponents of the

Sandinistas. Specifically, the organization served as a conduit for U.S. funding to be channeled to presidential candidate Violetta Chamorro and her party – the National Opposition Union (UNO). Opponents of NED's involvement questioned both the wisdom of the U.S. getting involved in Nicaragua so soon after the Iran-Contra scandal and the use of NED as the vehicle for such involvement.

In its five-year existence, NED had already become heavily involved in Nicaragua before the election-year arrived. In the five years prior to the election, it is estimated that NED had provided over $15 million in overt political assistance to groups within Nicaragua (Nichols 1990, 267). In 1989 alone, NED provided $12.5 million to promote democracy in the country (Sharkey 1990, 22). Almost all of this assistance went to one candidate and one party – Violetta Chamorro and UNO.

Chamorro was the widow of the owner/publisher of Nicaragua's pro-democracy newspaper *La Prensa* – Pedro Joaquin Chamorro – who was murdered in 1978 by agents of dictator Anastasio Somoza (MacMichael 1990, 165). *La Prensa* was heavily connected to the U.S., a long-time recipient of CIA assistance, and, since 1984, the leading recipient of NED money in Nicaragua (Sharkey 1990, 24).

Defeating the Sandinistas appeared likely because Nicaragua's economy had collapsed under their rule – one year before the election, inflation reached 35,000%. The question to be answered in Nicaragua's election seemed not to be whether the Sandinistas would be defeated, but which group would defeat them. Due to her connection with *La Prensa*, Chamorro became the hand-picked candidate of the U.S. in the election (MacMichael 1990, 165).

Secretary of State James Baker led the Bush administration's drive for an additional appropriation to be given to NED for use in the election. Baker claimed that the money was needed to "level the playing field" in Nicaragua. Originally, both Baker and the administration were clear that the money would go to Chamorro's campaign, even though other opposition candidates existed. When asked about how the money would be used, Baker stated that it would be used for automobiles, telephones, and advertising - just as any other campaign would use it (Felton 1989a, 2406).

Early on, the general idea of assisting the opposition in Nicaragua found widespread support in Congress, but as details of the plan were revealed, many key Democrats became uneasy with it. They were bothered by the prospect of the U.S. becoming active in a foreign election (Felton 1989a, 2406). They also noted that NED was prohibited from supporting specific candidates or parties with its grants – a restriction that the Bush administration wanted Congress to waive as part of the appropriation (Felton 1989a, 2406; Felton 1989b, 2479; "Help Nicaragua's Democrats, Openly" 14 September 1989, A28).

In the face of this opposition, the Bush administration dropped any mention of direct support for Chamorro and UNO from its request (Felton 1989a, 2406). Congress ultimately passed a $9 million appropriation to be given to NED to distribute in Nicaragua for the 1989 election. The appropriation contained two restrictions – no money could be used for partisan purposes and no covert assistance could be used (Felton 1987b, 2479).

Despite the restriction against the appropriation being used for partisan purposes, almost all of the money went to Chamorro and UNO. Focusing assistance on one party – when other opposition parties existed and also needed financial help – gave the appearance of partisanship (Sharkey 1990, 23). NED officials and the Bush administration claimed that the assistance did not violate any prohibition on partisan use because it was used to help build UNO's party infrastructure. They claimed that the money was used to help pay for vehicles, equipment, voter registration drives, and political education – not for campaigning. Even if this were true, it could be argued that NED's assistance in helping to pay for these items and activities helped free-up other UNO resources for use in campaigning that would have been used for these infrastructure-building projects. It appeared that instead of leveling the playing field for everyone in Nicaragua, the U.S. leveled it only for UNO – a point that Secretary of State Baker eventually admitted (Felton 1989a, 2406; Sharkey 1990, 23).

U.S. money flowing through NED to UNO took much longer than expected to arrive in Nicaragua. Two factors explained the delay. First, NED – wary of potential controversy – went beyond its usual level of caution in monitoring the money. Second, the Sandinistas did everything within their power to stop its delivery (Pear 4 February 1990, A3). The Sandinista-controlled National Assembly made it a crime for any Nicaraguan group to accept U.S. contributions (Nichols 1990, 266). Due to pressure from the U.S. and the international community, the Assembly backed-off its absolute ban on U.S. contributions and replaced it with a 50% tax on all U.S. contributions accepted.

The Assembly claimed that the revenue was needed to help pay for the administrative costs of the upcoming election (Nichols 1990, 266-267).

Nicaragua's modified policy on U.S. funding was also met with outrage by the U.S. government. However, the U.S. was unable to muster enough support in the international community to force another policy change. Internationally, it appeared that many countries became disenchanted with the U.S. attempt to influence Nicaragua's election. These countries pointed out that U.S. campaign finance laws were even more restrictive on foreign contributions than Nicaragua's (Nichols 1990, 266).

UNO's willingness to accept U.S. contributions was used by the Sandinistas as a campaign issue. Chamorro and UNO were portrayed as "tools of a foreign, hostile government" (Nichols 1990, 266). The money also caused UNO to factionalize. The influx of such large amounts of money resulted in intra-party fights over who controlled the money and how it would be used (Nichols 1990, 266 and 268). The other opposition parties that were not given money by NED became virulently anti-UNO, even more so than they were anti-Sandinista. As U.S. contributions to UNO increased, domestic contributions to UNO vanished, leaving questions about whether UNO had any significant support within its own country. The negative results of the influx of U.S. money caused many to begin questioning whether the money was doing more harm than good. More importantly, some wondered whether the money was helping to promote democracy or actually destroying the natural progress of politics in Nicaragua toward more freedom (Nichols 1990, 268).

The plan to overtly lead UNO to victory in Nicaragua fell-apart soon after the U.S. money arrived. The Sandinistas were able to turn around the economy, resulting in a dramatic increase in their popularity (MacMichael 1990, 165). At the same time, UNO – partly due to the negative impact of U.S. money – was floundering. Victory appeared likely for the Sandinistas.

Panicking, the Bush administration pushed to resume funding to the Contras. The Bush administration and its supporters theorized that the lack of an active Contra presence in Nicaragua since the Iran-Contra scandal had allowed the Sandinistas to turn their attention to issues like the economy. They also believed that the Sandinistas benefited politically because of the peace that resulted from the weakening of the Contras. By unleashing a well-funded and revitalized Contra force on Nicaragua, the Bush administration hoped to force Sandinista attention away from the economy and cause a return to the violence of the past. Also, as an added benefit, the Contras could help campaign for UNO in the countryside. Desperate to win in Nicaragua, Congressional Democrats betrayed their prior anti-Contra polemics and agreed to the plan (MacMichael 1990, 162 and 165).

The Contra resurgence elicited a harsh Sandinista response, plunging Nicaragua into the worst violence seen in years (MacMichael 1990, 165). This helped Chamorro and UNO win the election and appeared to justify the policies of the Bush administration and the role played by NED. However, many in Congress and many around the world were not comfortable with the means used to achieve victory. Even supporters of U.S. actions in Nicaragua eventually admitted that the whole situation was "troubling." In

trying to bring democracy to Nicaragua, the U.S. violated many of the democratic principles it was claiming to promote (Sharkey 1990, 22).

1994 Authorization Fight

NED has had a rocky relationship with Congress. The tone of the relationship was set immediately following NED's creation. For its first year-of-operations, Congress authorized $18 million – an amount that was far below the administration's request. What was significant about the NED's first authorization process was that it was used as a forum for members of Congress to express their misgivings about the organization. During the authorization process, more time was spent arguing over NED's structure than was spent discussing how much money the organization needed to function effectively. In many ways, the debate surrounding NED's funding was more intense and better informed than the earlier debate on whether to create the organization ("Crusaders Fall Out" 1984, 25). This set a precedent for NED – the yearly authorization process has become the site of some of its greatest political battles.

This was especially true in 1993 – during the 1994 authorization process – when the Clinton administration asked for a 60% increase in NED funding. If granted, NED's funding level would have increased from $30 million in 1993 to $48 million in 1994. The magnitude of the request caught Congress by surprise and led to a political battle over the organization's existence (Corn 1993b, 56).

In reaction to the Clinton administration's request, the House voted to eliminate all funding for NED by a vote of 243-181 (Corn 1993b, 57; Doherty 1993, 1672). NED's defeat in the House was bipartisan – two-thirds of Republicans and a slight

majority of Democrats voted for its elimination. The lack of support in the House for the organization stemmed from a combination of two factors – the push to cut the federal budget and a lack of support for international programs (Doherty 1993, 1672; Weigel 1993, 1). This sentiment was especially high among first-term House members, who voted 75-36 to defund NED (Doherty 1993, 1672; Palmer 1993, 2759). Therefore, when the House searched for programs to cut, international programs – such as NED – became endangered. The Clinton administration's bloated request drew the ire of House members to the organization, making it a prime target for elimination.

The House vote sent shockwaves through NED and the Clinton administration. Both focused their attention on the Senate and its authorization process, where the organization could be saved. As has been the case in most instances when NED is under-fire, a long list of high-profile supporters came to its defense. This time, the list included former Presidents Jimmy Carter, George Bush, and Ronald Reagan; Senators Richard Lugar, Orrin Hatch, and John McCain; and journalists George Will, A.M. Rosenthal, David Broder, and Morton Kondracke. These "all-stars" inundated the Senate and the public with glowing reports about the work NED was doing around the world (Corn 1993a, 280; Palmer 1993, 2759).

When the issue of NED's funding reached the Senate, Senators from the left – Paul Wellstone, John Kerry, Tom Harkin, Edward Kennedy, and Carol Moseley-Braun – joined Senators from the right – Strom Thurmond, Phil Gramm, and Trent Lott – in championing its cause (Corn 1993a, 280). The Senate saved NED, but it appropriated less than the Clinton administration requested. Instead of $48 million, it authorized $35

million – still a $5 million increase over the previous year. The House later agreed to this amount in conference committee (Palmer 1993, 2759).

In analyzing the NED funding crisis, Senator Hank Brown noted that NED has a powerful group of supporters with diverse political connections (Palmer 1993, 2759). These connections make NED a formidable political opponent and give it power beyond what would be expected of a relatively small organization. As a result, discussions and debates about NED often center around politics, not honest appraisals of NED's value.

DEBATES SURROUNDING NED

To highlight the issues that are fundamental to discussions about NED, the major points-of-argument regarding the organization will be discussed. The issues include whether the U.S. should be interfering in the politics of other countries, whether NED makes its own foreign policy irrespective of official U.S. policy, whether NED promotes democracy or U.S. interests, whether NED views democracy ethnocentrically, whether NED has been successful in its efforts, whether NED is a "political sacred cow," whether NED is redundant, and whether NED escapes proper oversight through purposefully vague documentation of its activities.

Interference in the Politics of Other Countries

In his farewell address, George Washington stated the following: "Foreign influence is one of the most baneful foes of republican government" (Conry 1994, 17). If true, Washington's words suggest that promoting freedom in another country by becoming involved in its domestic affairs – as NED does – may ultimately be counterproductive. NED's critics agree, arguing that there is a fundamental contradiction

between NED's goal of promoting democracy and free markets and its "interference" in and "manipulation" of political and economic processes of other countries (Sims 1990, 6). Such meddling has led some to call NED a "loose cannon" that may do more harm than good in the fight for freedom around the world (Carothers 1994, 123; Shipler 1 June 1986, A1).

NED's supporters have responded to these critics by asserting that the line between assistance and interference is not easily drawn (Carothers 1994, 131). For example, NED's charter forbids the organization or its grantees from giving money to candidates for political office. Instead, NED money, when given to a political party, goes toward building that party's infrastructure – registering voters, getting voters to the polls, etc. – not toward campaigning. In many of these countries, opposition parties are too weak to effectively challenge the establishment. By enhancing a party's infrastructure, NED helps to guarantee that the political marketplace will have multiple views for voters to choose from.

NED's assistance for party infrastructure parallels the concept of "soft money" contributions in the U.S. Just as we have found in the U.S. with "soft money" contributions, distinguishing between the use of money for general party needs and for the support of a specific candidate is almost impossible. Most NED supporters recognize this. A statement by Joshua Muravchik summarizes their position – "NED does not support candidates for office, but it does come close" (Muravchik 1992, 142).

A Separate Right-Wing Foreign Policy

Since its founding, NED has been called a conservative – if not reactionary – organization. NED's structure reveals this to be true. Of its four core grantees, three – IRI, ACILS, and CIPE – have long histories of being highly conservative in their foreign policy worldviews and activities. These grantees represent the Republican party, labor, and business, respectively. The fourth grantee – NDI – represents the Democratic party and has a more moderate foreign policy stance. The three conservative grantees typically get 60% of NED grant money, with the moderate fourth grantee getting only 10% (the other 30% of grants are discretionary). This supports the argument that NED is, structurally, conservative (Conry 1994, 17).

The conservative leaning of the organization has caused many moderate and liberal observers to claim that NED has become a parallel, conservative mini-State-Department, making its own foreign policy without regard for official U.S. policy (Corn 1993b, 57; "Reagan's 'Foreign Aid' for Democracy" 1983, 54). If true, the possibility exists that NED could contradict official U.S. policy regarding a country and cause an international incident ("Crusaders Fall Out" 1984, 25; Shipler 1 June 1986, A1). Inconsistencies between NED's activities and U.S. policy have occurred in the past (Carothers 1994, 129; Shipler 1 June 1986, A1). The most notable inconsistency (described above) was when NED funded organizations in France that were fighting the policies of a U.S.-friendly French government. Fortunately, these inconsistencies have not caused any foreign policy disasters.

NED's supporters deny that the organization is a separate right-wing foreign policy making organization. They claim that the organization does not take a position on foreign policy questions. It concentrates only on helping freedom movements and activists around the world (Weigel 1993, 9). Fortunately, they claim that NED does not need to be overly concerned with contravening U.S. foreign policy because U.S. foreign policy overwhelming tends to be pro-freedom and, therefore, agrees with the organization's activities.

According to NED's supporters, a further safeguard against the organization's activities contradicting U.S. foreign policy is the fact that it is not a "renegade" organization. Its leadership is composed of current and former senior U.S. government officials and others who typically agree with U.S. foreign policy and would be highly reluctant to contradict it (Carothers 1994, 129). Instances of contradiction between NED activities and U.S. foreign policy – such as the France example – all occurred in the organization's early years when the grant process was new and still had many imperfections. The process has been improved and such contradictions are not likely to occur again (Shipler 1 June 1986, A1).

Promoting Freedom or U.S. Interests

Some critics question whether NED truly pursues the altruistic goal of promoting freedom. They see within the organization's activities not altruism, but a selfish motive – the promotion of U.S. interests. They assert that NED is just another means by which the U.S. government promotes its interests around the world (Shipler 1 June 1986, A1).

Critics note that NED has never given money to a group whose agenda conflicts with U.S. interests (Robinson 1996, 105). NED money has consistently gone to groups whose interests reflect the desires of the U.S. in their home-country. Whether they promote freedom or not, these groups help promote U.S. interests (Sims 1990, 4 and 17). In fact, countries in which the organization is most active tend to be countries in which the U.S. has already expressed a foreign policy priority (Robinson 1996, 92).

NED supporters deny that the organization's goal is to promote U.S. interests – its goal is to promote democracy and economic freedom around the world. The correlation cited between NED activity and U.S. foreign policy exists because freedom – the driving force behind NED activity – is also a central factor in U.S. foreign policy making. Therefore, promoting freedom and promoting U.S. interests often go hand-in-hand (Albright 1997, <http://secretary.state.gov/www/statements/970409.html>).

Democratic Ethnocentrism

NED's critics claim that the organization views democracy ethnocentrically – NED's literature and conferences evince a clear preference for democracy "U.S.-style" (Carothers 1996, 39). Following a precedent set in the 1950s and 1960s by U.S. policy makers such as W.W. Rostow (discussed in Chapter 1), the organization tends to generalize the process of political development in the U.S. to other countries, whether such a generalization is appropriate or not (Carothers 1994, 134 and 135). These critics also note the irony of emphasizing the adoption of U.S.-style democracy at a time when the well-being of democracy in the U.S. is impugned by scholars in the U.S. and around the world (Carothers 1996, 35). NED's supporters deny that U.S.-style democracy is

emphasized in its activities. In fact, the organization asserts in its mission statement that a democratic system must be tailored to "local needs and traditions" (NED, <http://www.ned.org/page_6/nedstmt.html>; Weigel 1993, 5).

NED Success

According to its critics, NED and its supporters are unable to cite any "definitive" successes that justify its continued existence (Conry 1994, 17; Shipler 1 June 1986, A1). On the other hand, its critics are able to name many NED failures and shortcomings (Conry 1994, 17). The successes highlighted by NED and its supporters – for example, the end of the Cold War and the rise of democracy in Eastern Europe – are dismissed by critics as being exaggerated (Carothers 1994, 136).

Without proof of its effectiveness, these critics assert that taxpayer dollars are being wasted on the organization and could be used more effectively elsewhere in the federal budget (Sims 1990, 4). The possibility of restructuring NED or its grant-making program to make it more effective is rejected because many critics also doubt that NED can have an impact on the type of macro-level events that it attempts to influence. They doubt that any organization can really promote freedom in another country ("Reagan's 'Foreign Aid' for Democracy" 1983, 54).

NED's supporters claim that the organization has had success, despite its woefully inadequate budget (Diamond 1992, 41; Gergen 1991, 68). They give the organization credit for playing an important role in helping the third-wave of democracy sweep the world (Carothers 1994, 123-124; Progressive Policy Institute 1991, <http://www.dlcppi.org/texts/foreign/amerfp.txt>). Specifically, according to its

supporters, NED's claimed successes include helping break-up the Warsaw Pact, assisting the triumph of freedom in Chile and Haiti, and supporting democrats in Soviet Union and China (Gergen 1991, 68; Weigel 1993, 11). They claim that these accomplishments show that the organization can effectively promote democracy in other countries (Muravchik 1992, 142).

Pork Barrel Politics

Critics have described NED as a "political sacred cow" (Corn 1997, 27), valued as a source of pork-barrel projects and lavish political junkets abroad for Washington's elites (Carothers 1994, 123; Corn 1992, 648). These elites include high-level "Republican and Democratic party activists, conservative trade unionists, and free marketeers" who use the organization to further their own agendas (Corn 1993b, 57). Critics further allege that NED provides its spoils systematically in an attempt to gain friends that can help it politically (Samuels 1995, 53). In essence, the elites use NED for generous perks, and the organization uses the elites for political gain and protection. This type of "inside-the-beltway political logrolling," according to critics, makes it the type of program that needs to be abolished (Conry 1994, 16). However, if true, this "political logrolling" helps guarantee NED's survival, instead of endangering it. The organization's supporters deny that the organization engages in this type of "political logrolling." They note that these critics fail to cite specific examples where it has occurred, and this lack of evidence shows their argument to be false.

Redundancy

A main argument used in Congress to argue for eliminating NED is that the organization performs functions already performed by the U.S. Agency for International Development (USAID) and USIA (Carothers 1994, 130-131; Carothers 1995, 63; Corn 1997, 27). In a time of tight federal budgets, especially in regard to international programs, the argument that the organization is redundant has great power.

A 1995 General Accounting Office (GAO) draft report found NED to be redundant and recommended its elimination. GAO was willing to preserve NED if its record proved that it was more effective at promoting freedom than USAID and/or USIA. If NED was more effective, GAO would have recommended that freedom promotion programs at either USAID or USIA be eliminated. However, GAO's review of all three organizations concluded that NED was the least effective in promoting freedom. As a result, it recommended the organization's elimination (Corn 1997, 27).

NED supporters deny that the organization is redundant. Unlike USAID and USIA, NED's quasi-governmental status gives it more freedom to act effectively in politically-sensitive situations (Phillips 1993, <http://www.heritage.org/library/categories/forpol/em360.html>; Weigel 1993, 10). Since it operates autonomously from the dictates of the White House and the State Department, it can act more quickly and creatively when confronted with a difficult situation (Carothers 1994, 136; Carothers 1995, 63; Diamond 1992, 39; Weigel 1993, 10). Structurally, NED is different from USAID and USIA. Its lack of bureaucratic

restrictions allow it to be more flexible in the kinds of programs it undertakes and how it seeks to handle them (Carothers 1995, 63; Weigel 1993, 10).

Oversight Problems

Critics also charge that Congressional oversight of NED has been insufficient due to a lack of clear, candid NED record-keeping. In overseeing NED, Congress relies primarily on records supplied by NED, which have often been purposefully vague and misleading (Sims 1990, 73). As a result, Congress and GAO have complained that tracing the use of NED funds is often impossible ("The Quiet Americans" 1987, 273). This secrecy of the organization conflicts with the openness that it claims to practice, promote, and believe-in (Sims 1990, 5). Since openness is a fundamental part of freedom, NED appears to be setting a bad example for reformers around the world.

Despite NED's alleged obfuscation, Congress and GAO have been able to find problems with how the organization operates. In 1991, a GAO report found misuse of funds, improper documentation, and inadequate monitoring of grant recipients (Diamond 1992, 41). GAO investigated thirty-six NED projects and found only one to have been properly handled (Corn 1991, 548). Critics wonder how many more problems would be unearthed if the organization was more forthcoming with details of its activities.

NED supporters claim that oversight problems are an inevitable part of promoting freedom. NED deals with many groups who operate in secrecy. While secrecy may be undemocratic and troubling to many, full disclosure could endanger the activities of the groups that the organization deals with, as well as the lives of the people who comprise them (Shipler 1 June 1986, A1; Schapiro and Levy 1985, 13; Weigel 1993, 10). For this

reason, any organization dealing with reform groups that operate in unfree countries will have problems fully documenting and disclosing its activities.

CONCLUSION

Even though critics and supporters of NED disagree on many issues, they agree that many aspects of NED are shrouded in secrecy. This secrecy prevents policy makers and the American people from understanding NED's activities and the results of those activities. The secrecy also prevents the organization from gaining a proper understanding of itself. A thorough analysis of NED is needed in order to break through this veil of secrecy. The analysis would elucidate who gets NED money, how much money they get, how the money is used, and whether NED has been successful at promoting political and economic freedom around the world. Such an analysis would serve two important purposes. First, it would help policy makers and the American people assess the value of the organization. Second, it would help NED gain a clearer picture of itself. This would allow the organization to better understand its strengths and its shortcomings. It could use this information to improve the quality and efficiency of its work.

CHAPTER 3
A STATISTICAL PROFILE OF THE NATIONAL ENDOWMENT FOR DEMOCRACY'S GRANT MAKING PROGRAM, 1990-1999

INTRODUCTION

The primary mission of the National Endowment for Democracy (NED) is to promote democracy and economic freedom around the world. The main instrument that NED uses to accomplish this mission is its grant making program. Through its grant making program, NED financially supports groups in other regions and countries that are attempting to bring about more political and economic openness.

This chapter will use descriptive statistics to provide an overview of NED grant activity during the 1990s. It will show which regions and countries were the leading recipients of grants and grant money. The trends in NED grant activity that emerged during the decade will also be analyzed. All NED grants – direct and indirect – are included in the data. All money awarded to organizations around the world by NED is included, whether it comes from NED's own budget, or is "flow-through" money from other U.S. agencies.

This chapter represents the first time in the literature on NED that aggregate data on NED's grant activity has been presented and analyzed. The main reason for the prior absence of aggregate data analysis of NED grant activity has been the lack of availability of complete NED grant data. The author of this chapter was fortunate to obtain complete data on NED grant activity during a short period of time that the data was made available by NED over the internet.

DECADE OVERVIEW

Appendices A and B provide complete data on NED grant activity during the 1990s. As shown in Table 3.1, during the 1990s, NED awarded a total of 3,257 grants and $267,023,602 in grant money. This is an average 326 grants and $26,702,360 per year. NED awarded its highest number of grants – 420 – in 1999. The lowest number of grants awarded by NED during the 1990s was 255 in 1991. NED awarded $31,393,623 in grant money in 1994 – the highest amount of grant money awarded in any year during the 1990s. The lowest amount of grant money awarded in a single year was $21,274,633 in 1991. Both the lowest number of grants and lowest amount of grant money awarded by NED during the decade were awarded in 1991.

In the first 4 years of the 1990s (1990-1993), the number of grants awarded by NED is below the decade's average of 326 grants per year. The number of grants awarded in these years were the following: 1990 (262), 1991 (255), 1992 (295), and 1993 (284). In the last 6 years of the decade, the number of grants awarded by NED is above the average. The number of grants awarded in these years were the following: 1994 (334), 1995 (345), 1996 (346), 1997 (339), 1998 (377), and 1999 (420).

In 5 out of 10 years in the decade, the amount of grant money awarded by NED is below the decade's yearly average of $26,702,360. These years include 1991 ($21,274,633), 1992 ($22,926,281), 1993 ($23,922,521), 1997 ($26,623,447), and 1998 ($26,689,279). It should be noted that the amount of grant money awarded by NED in 1997 and 1998 is <u>barely</u> below the decade's average. In the other 5 years of the 1990s, the amount of grant money awarded by NED is above the decade's average. These years

Table 3.1: NED Grant Activity by Year

Year	Grants	% of Total	NED $	% of Total
1990	262	8.04%	$27,481,743	10.29%
1991	255	7.83%	$21,274,633	7.97%
1992	295	9.06%	$22,926,281	8.59%
1993	284	8.72%	$23,922,521	8.96%
1994	334	10.25%	$31,393,623	11.76%
1995	345	10.59%	$29,389,463	11.01%
1996	346	10.62%	$28,722,155	10.76%
1997	339	10.41%	$26,623,447	9.97%
1998	377	11.58%	$26,689,279	10.00%
1999	420	12.90%	$28,600,457	10.71%
Total	3,257	100.00%	$267,023,602	100.00%
Average	326		$26,702,360	

include 1990 ($27,481,743), 1994 ($31,393,623), 1995 ($29,389,463), 1996 ($28,722,155), and 1999 ($28,023,602).

Figures 3.1 and 3.2 show the trends that occurred in NED grant making during the 1990s. Figure 3.1 shows that the number of grants awarded by NED increased over the course of the decade. In 1999, NED awarded 420 grants – 158 more than it awarded in 1990. The biggest increases in the number of grants awarded by NED came in 1992, 1994, 1998, and 1999. In 1992, the number of grants awarded by NED increased by 40 over the number awarded in 1991 (295 compared to 255). In 1994, the number of grants awarded increased by 50 over the number awarded in 1993 (334 compared to 284). In 1998, the number of grants awarded increased by 31 over the number awarded in 1997 (377 compared to 339). In 1999, the number of grants awarded increased by 43 over the number awarded in 1998 (420 compared to 377). The number of grants awarded by NED in 1991, 1993, 1995, 1996, and 1997 did not show a dramatic increase over the number awarded in the previous year.

Figure 3.2 shows that, even though the amount of grant money awarded by NED at the beginning and end of the decade was similar ($27,481,743 in 1990 and $28,600,457 in 1999), the decade saw strong variation from year-to-year. After beginning the decade by awarding $27,481,743 in 1990, the amount of NED grant money awarded dropped sharply in 1991 to $21,274,633 and stayed at a low level in 1992 ($22,926,281) and 1993 ($23,922,521). The amount of NED grant money increased dramatically to $31,393,623 in 1994. Then, the amount decreased to $29,389,463 in

1995, $28,722,155 in 1996, and $26,623,447 in 1997. It held steady at $26,689,279 in 1998 and, finally, increased to $28,600,457 in 1999.

REGION OVERVIEW

Table 3.2 breaks-down NED grant activity by region. For each year, the table lists the number of NED grants and the amount of NED grant money received by organizations that are active within the 8 regions that have been defined by NED. These regions are Africa, Asia, Central and Eastern Europe, Latin America and the Caribbean, the Middle East, Multi-Region (grants involving recipients that are active in more than one of the other 7 regions), the Newly Independent States, and Other.

Figure 3.3 shows the total number of NED grants received by groups in each region from 1990-1999. Groups in Asia received the highest number of NED grants with 612 (18.79% of the total number of grants), Latin America and the Caribbean is second with 582 grants (17.87% of the total), Central and Eastern Europe is third with 567 grants (17.41% of the total), the Newly Independent States are fourth with 565 grants (17.35% of the total), Africa is fifth with 540 grants (16.58% of the total), the Middle East is sixth with 301 grants (9.24% of the total), Multi-Region is seventh with 89 grants (2.73% of the total), and Other is last with 1 grant (0.03% of the total).

What these totals do not show are the fluctuations that occurred in NED grant-making during the 1990s. Many of the regions saw their percent-share of NED grants change dramatically over the course of the decade. Figure 3.4 reveals these fluctuations by showing the percent of the total number of NED grants that each region received in each year from 1990-1999.

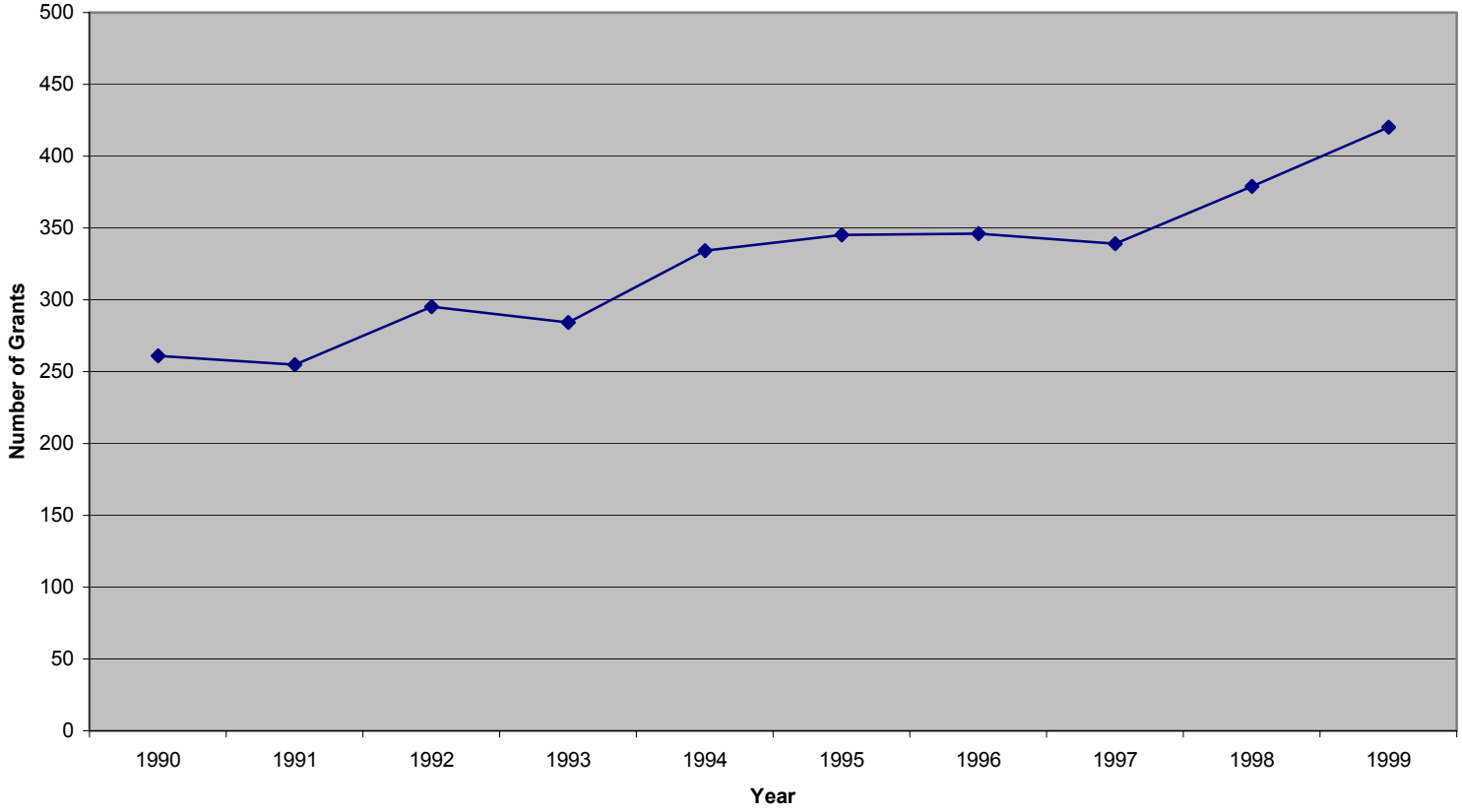

Figure 3.1: Number of NED Grants, 1990-1999

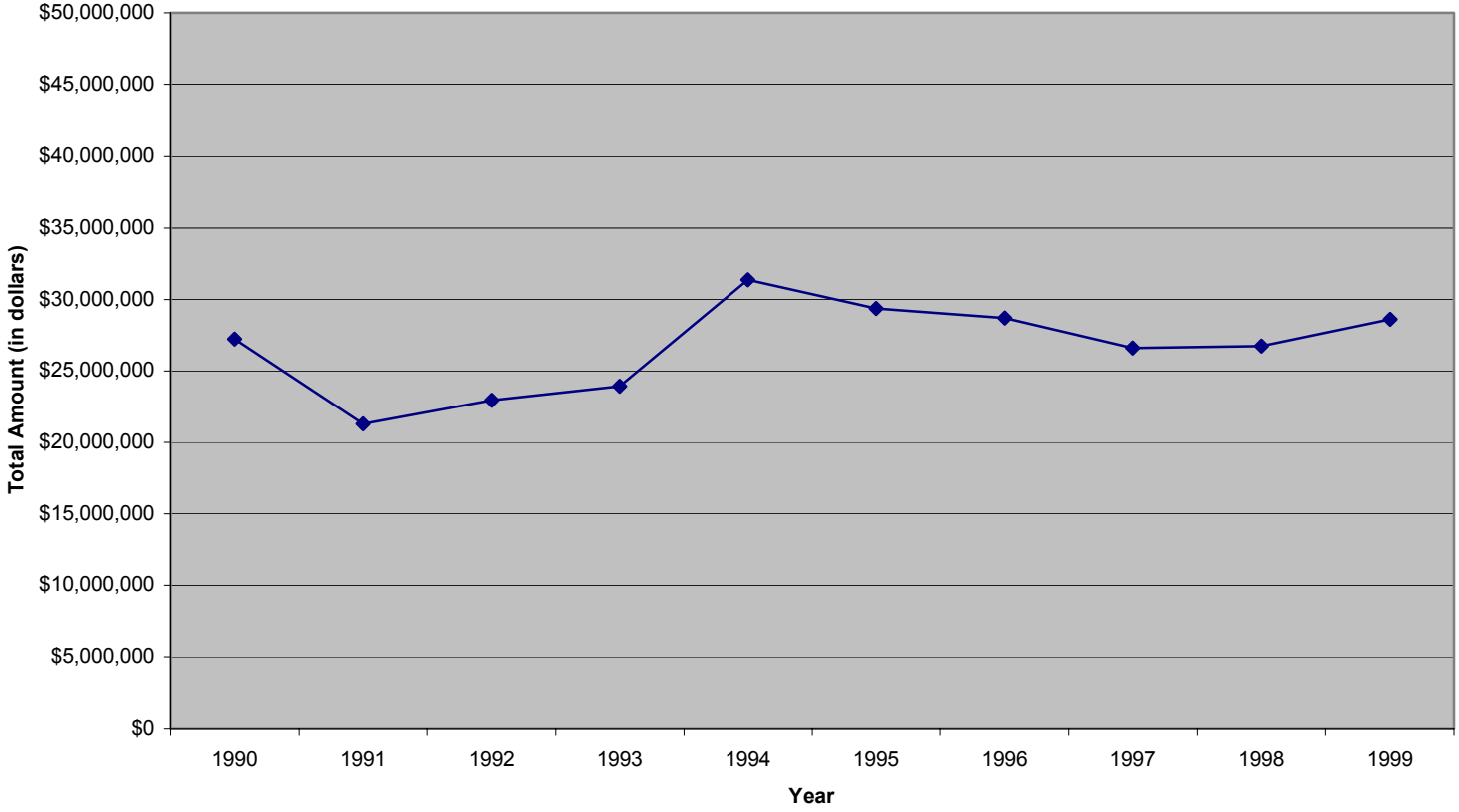

Figure 3.2: Amount of NED Grants, 1990-1999

Table 3.2: NED Grant Activity by Region

Year	Region	Grants	% of Yearly Total	NED $	% of Yearly Total
1990	Africa	16	6.11%	$1,724,750	6.28%
1990	Asia	34	12.98%	$2,646,537	9.63%
1990	C/E Europe	99	37.79%	$13,544,180	49.28%
1990	Latin Am./Caribbean	80	30.53%	$7,239,666	26.34%
1990	Middle East	1	0.38%	$50,000	0.18%
1990	Multi-Region	6	2.29%	$608,865	2.22%
1990	Newly Independent Sts.	25	9.54%	$1,396,807	5.08%
1990	Other	1	0.38%	$270,938	0.99%
1990	Total	262	100.00%	$27,481,743	100.00%
1991	Africa	48	18.82%	$3,334,682	15.67%
1991	Asia	38	14.90%	$3,550,559	16.69%
1991	C/E Europe	53	20.78%	$5,165,868	24.28%
1991	Latin Am./Caribbean	63	24.71%	$4,798,252	22.55%
1991	Middle East	15	5.88%	$636,553	2.99%
1991	Multi-Region	8	3.14%	$1,097,427	5.16%
1991	Newly Independent Sts.	30	11.76%	$2,691,292	12.65%
1991	Other	0	0.00%	$0	0.00%
1991	Total	255	100.00%	$21,274,633	100.00%
1992	Africa	56	18.98%	$4,155,908	18.13%
1992	Asia	53	17.97%	$4,020,900	17.54%
1992	C/E Europe	60	20.34%	$4,385,164	19.13%
1992	Latin Am./Caribbean	62	21.02%	$4,804,719	20.96%
1992	Middle East	10	3.39%	$596,333	2.60%
1992	Multi-Region	10	3.39%	$1,227,916	5.36%
1992	Newly Independent Sts.	44	14.92%	$3,735,341	16.29%
1992	Other	0	0.00%	$0	0.00%
1992	Total	295	100.00%	$22,926,281	100.00%
1993	Africa	53	18.66%	$3,627,651	15.16%
1993	Asia	50	17.61%	$3,933,005	16.44%
1993	C/E Europe	44	15.49%	$3,458,143	14.46%
1993	Latin Am./Caribbean	47	16.55%	$4,362,483	18.24%

(table continued)

Year	Region	Grants	% of Yearly Total	NED $	% of Yearly Total
1993	Middle East	21	7.39%	$1,429,812	5.98%
1993	Multi-Region	8	2.82%	$1,514,880	6.33%
1993	Newly Independent Sts.	61	21.48%	$5,596,547	23.39%
1993	Other	0	0.00%	$0	0.00%
1993	Total	284	100.00%	$23,922,521	100.00%
1994	Africa	57	17.07%	$3,780,529	12.04%
1994	Asia	57	17.07%	$5,889,536	18.76%
1994	C/E Europe	48	14.37%	$4,454,400	14.19%
1994	Latin Am./Caribbean	65	19.46%	$6,006,411	19.13%
1994	Middle East	36	10.78%	$2,490,072	7.93%
1994	Multi-Region	16	4.79%	$2,615,350	8.33%
1994	Newly Independent Sts.	55	16.47%	$6,157,325	19.61%
1994	Other	0	0.00%	$0	0.00%
1994	Total	334	100.00%	$31,393,623	100.00%
1995	Africa	53	15.36%	$3,310,015	11.26%
1995	Asia	74	21.45%	$6,965,107	23.70%
1995	C/E Europe	54	15.65%	$4,708,871	16.02%
1995	Latin Am./Caribbean	63	18.26%	$5,416,991	18.43%
1995	Middle East	42	12.17%	$2,691,472	9.16%
1995	Multi-Region	10	2.90%	$1,604,426	5.46%
1995	Newly Independent Sts.	49	14.20%	$4,692,581	15.97%
1995	Other	0	0.00%	$0	0.00%
1995	Total	345	100.00%	$29,389,463	100.00%
1996	Africa	53	15.32%	$3,246,362	11.30%
1996	Asia	75	21.68%	$8,957,918	31.19%
1996	C/E Europe	43	12.43%	$3,246,395	11.30%
1996	Latin Am./Caribbean	54	15.61%	$4,629,947	16.12%
1996	Middle East	51	14.74%	$3,399,439	11.84%
1996	Multi-Region	14	4.05%	$1,377,673	4.80%
1996	Newly Independent Sts.	56	16.18%	$3,864,421	13.45%
1996	Other	0	0.00%	$0	0.00%
1996	Total	346	100.00%	$28,722,155	100.00%
1997	Africa	56	16.52%	$3,335,228	12.53%

(table continued)

Year	Region	Grants	% of Yearly Total	NED $	% of Yearly Total
1997	Asia	68	20.06%	$6,879,224	25.84%
1997	C/E Europe	42	12.39%	$3,546,066	13.32%
1997	Latin Am./Caribbean	46	13.57%	$4,395,061	16.51%
1997	Middle East	45	13.27%	$3,070,271	11.53%
1997	Multi-Region	8	2.36%	$757,667	2.85%
1997	Newly Independent Sts.	74	21.83%	$4,639,930	17.43%
1997	Other	0	0.00%	$0	0.00%
1997	Total	339	100.00%	$26,623,447	100.00%
1998	Africa	72	19.10%	$3,608,657	13.52%
1998	Asia	77	20.42%	$6,641,769	24.89%
1998	C/E Europe	51	13.53%	$3,108,479	11.65%
1998	Latin Am./Caribbean	49	13.00%	$3,378,392	12.66%
1998	Middle East	40	10.61%	$3,171,468	11.88%
1998	Multi-Region	9	2.39%	$1,434,922	5.38%
1998	Newly Independent Sts.	79	20.95%	$5,345,592	20.03%
1998	Other	0	0.00%	$0	0.00%
1998	Total	377	100.00%	$26,689,279	100.00%
1999	Africa	76	18.10%	$3,405,770	11.91%
1999	Asia	86	20.48%	$7,242,423	25.32%
1999	C/E Europe	73	17.38%	$5,138,387	17.97%
1999	Latin Am./Caribbean	53	12.62%	$4,889,172	17.09%
1999	Middle East	40	9.52%	$3,105,904	10.86%
1999	Multi-Region	0	0.00%	$0	0.00%
1999	Newly Independent Sts.	92	21.90%	$4,818,887	16.85%
1999	Other	0	0.00%	$0	0.00%
1999	Total	420	100.00%	$28,600,543	100.00%
Total	Africa	540	16.58%	$33,529,552	12.56%
Total	Asia	612	18.79%	$56,726,978	21.24%
Total	C/E Europe	567	17.41%	$50,755,953	19.01%
Total	Latin Am./Caribbean	582	17.87%	$49,921,094	18.70%
Total	Middle East	301	9.24%	$20,641,324	7.73%
Total	Multi-Region	89	2.73%	$12,239,126	4.58%

(table continued)

Year	Region	Grants	% of Yearly Total	NED $	% of Yearly Total
Total	Newly Independent Sts.	565	17.35%	$42,938,723	16.08%
Total	Other	1	0.03%	$270,938	0.10%
Total	Total	3,257	100.00%	$267,023,688	100.00%

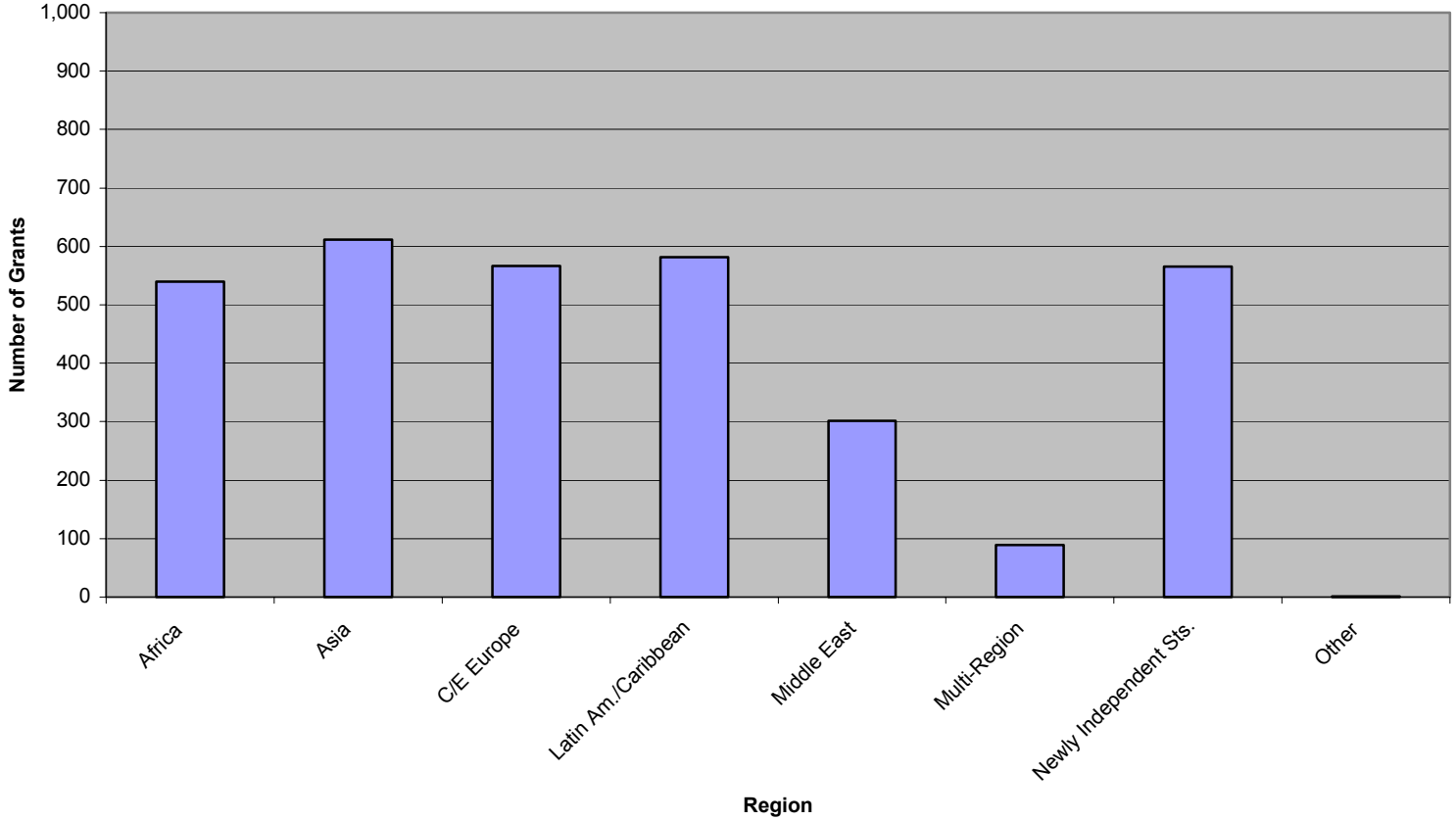

Figure 3.3: Total Number of NED Grants by Region, 1990-1999

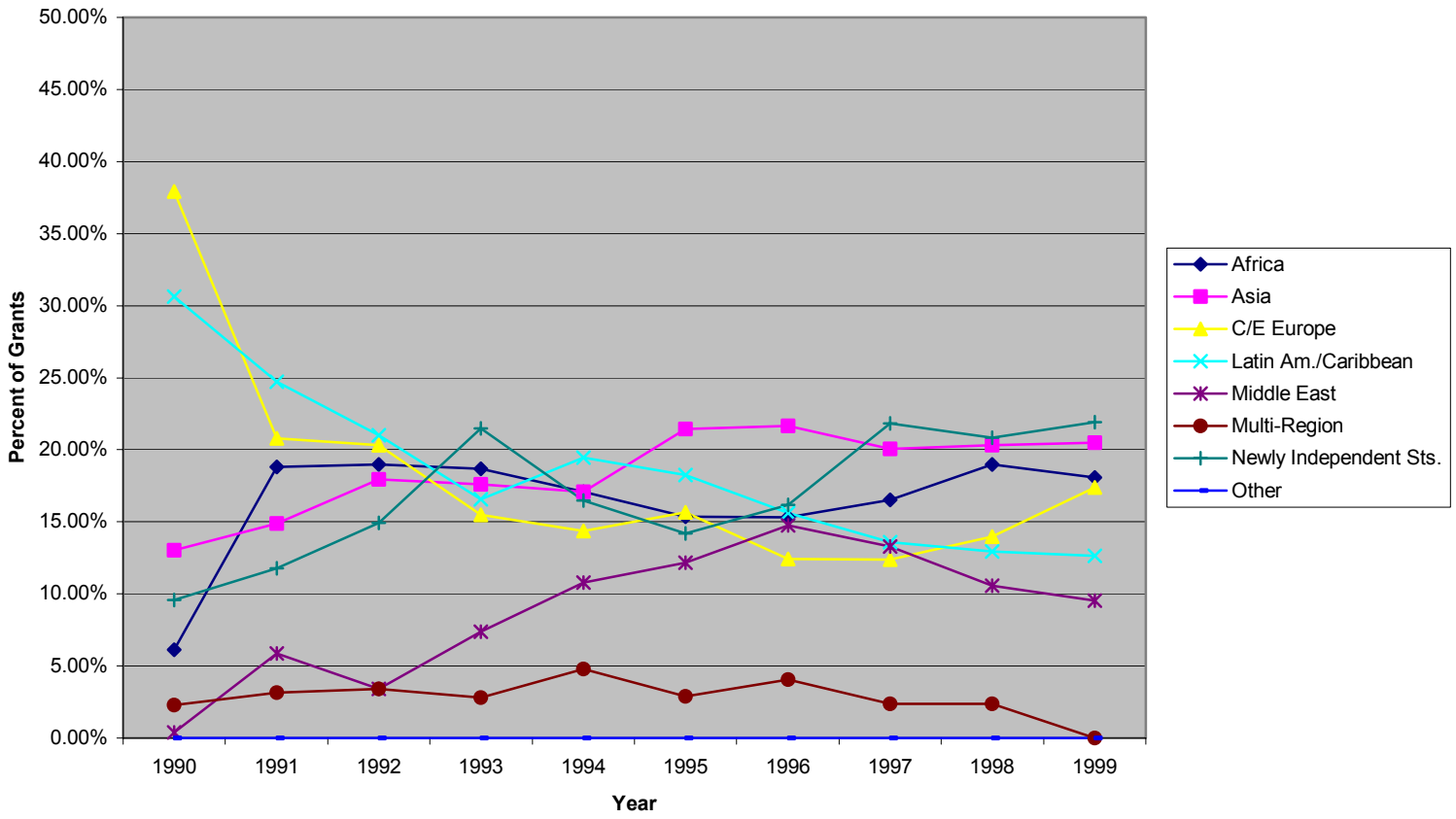

Figure 3.4: Percent of NED Grants by Region, 1990-1999

Two of the eight regions – Central and Eastern Europe and Latin American and the Caribbean – began the 1990s as the leading recipients of NED grants and saw their percent-share of NED grants deteriorate throughout the decade. Central and Eastern Europe began the decade as the top recipient of NED grants, but saw its percent-share of NED grants drop by over 50% by 1999. From 1990-1999, Central and Eastern Europe's percent-share of the total number of NED grants in each year and its rank among the eight regions for that year was the following: 37.79% (1st), 20.78% (2nd), 20.34% (2nd), 15.49% (5th), 14.37% (5th), 15.65% (3rd), 12.43% (6th), 12.39% (6th), 13.53% (4th), and 17.38% (4th).

During the 1990s, Latin America and the Caribbean was the top recipient of NED grants in 1991, 1992, and 1994, but also experienced a sharp decline in its share of the total number of NED grants by the end of the decade. Its percent-share and rank among the regions from 1990-1999 was the following: 30.53% (2nd), 24.71% (1st), 21.02% (1st), 16.55% (4th), 19.46% (1st), 18.26% (2nd), 15.61% (3rd), 13.57% (4th), 13.00% (5th), and 12.62% (5th).

Four of the eight regions – the Newly-Independent States, Africa, the Middle East, and Asia – saw their percent-share of NED grants increase over the course of the decade. The Newly-Independent States region began the decade as the fourth leading recipient of NED grants awarded that year (received 9.54% of the total number) and ended the decade in 1997, 1998, and 1999 as the top recipient of NED grants awarded in these year (received 21.83%, 20.95%, and 21.90%, respectively). Its percent-share and rank among the regions from 1990-1999 was the following: 9.54% (4th), 11.76% (5th),

14.92% (5th), 21.48% (1st), 16.47% (4th), 14.20% (5th), 16.18% (2nd), 21.83% (1st), 20.95% (1st), and 21.90% (1st).

Africa also experienced a large increase in its percent-share of NED grants. In 1990, Africa was the fifth leading recipient of NED grants (received 6.11% of the total number); in 1999, it was the third leading recipient of NED grants (received 18.10%). Africa's percent-share of grants reached a high of 19.10% in 1998 (making it the third leading recipient that year). Its percent-share and rank among the regions from 1990-1999 was the following: 6.11% (5th), 18.82% (3rd), 18.98% (3rd), 18.66% (2nd), 17.07% (2nd), 15.32% (4th), 16.52% (3rd), 19.10% (3rd), and 18.10% (3rd).

The Middle East began the decade by receiving only 1 grant in 1990 (0.38% of the total number of grants awarded). In 1999, the Middle East's number of grants had increased to 40 (9.52% of the total). The Middle East percent-share of NED grants hit a high of 14.74% (making it the fifth leading recipient) in 1996. However, despite receiving an increased share of NED grants, the Middle East was not able to rise above fifth place among the eight regions in any year. Its percent-share and rank among the regions from 1990-1999 was the following: 0.38% (7th), 5.88% (6th), 3.39% (6th), 7.39% (6th), 10.78% (6th), 12.17% (6th), 14.74% (5th), 13.27% (5th), 10.61% (6th), and 9.52% (6th).

Asia also experienced an increase in its share of NED grants. In 1990, Asia was awarded 12.98% of the grants awarded by NED, making it the third leading recipient of NED grants awarded that year. In 1995 and 1996, Asia ranked first among the eight regions with shares of 21.45% and 21.68%, respectively. In 1999, it was awarded

20.48% of the total number of NED grants, making it the second leading recipient. Its percent-share and rank among the regions from 1990-1999 was the following: 12.98% (3rd), 14.90% (4th), 17.97% (4th), 17.61% (3rd), 17.07% (2nd), 21.45% (1st), 21.68% (1st), 20.06% (2nd), 20.42% (2nd), and 20.48% (2nd).

The two remaining regions – Multi-Region and Other – experienced no growth in the number of NED grants that they received in the 1990s. In 1990, Multi-Region was only awarded 6 grants (2.29% of the total number), making it the seventh leading recipient of NED grants. The share of grants awarded to Multi-Region hit a high of 4.79% in 1994 (making it the sixth leading recipient that year). However, the region ended the decade in 1999 by receiving 0 grants from NED. Multi-Region's percent-share and rank among the regions from 1990-1999 was the following: 2.39% (6th), 3.14% (7th), 3.39% (7th), 2.82% (7th), 4.79% (7th), 2.90% (7th), 4.05% (7th), 2.36% (7th), 2.39% (7th), and 0.00% (7th). The last region – Other – received its only grant of the decade in 1990.

Figure 3.5 shows the total amount of NED grant money received by groups in each region from 1990-1999. Groups in Asia received the most NED grant money with $56,726,978 (21.24% of the total amount given), Central and Eastern Europe was second with $50,755,953 (19.01% of the total), Latin America and the Caribbean was third with $49,921,094 (18.70% of the total), the Newly Independent States were fourth with $42,938,723 (16.08% of the total), Africa was fifth with $33,529,552 (12.56% of the total), the Middle East was sixth with $20,641,324 (7.73%% of the total), Multi-Region was seventh with $12,239,126 (4.58% of the total), and Other was last with $270,938 (0.10% of the total).

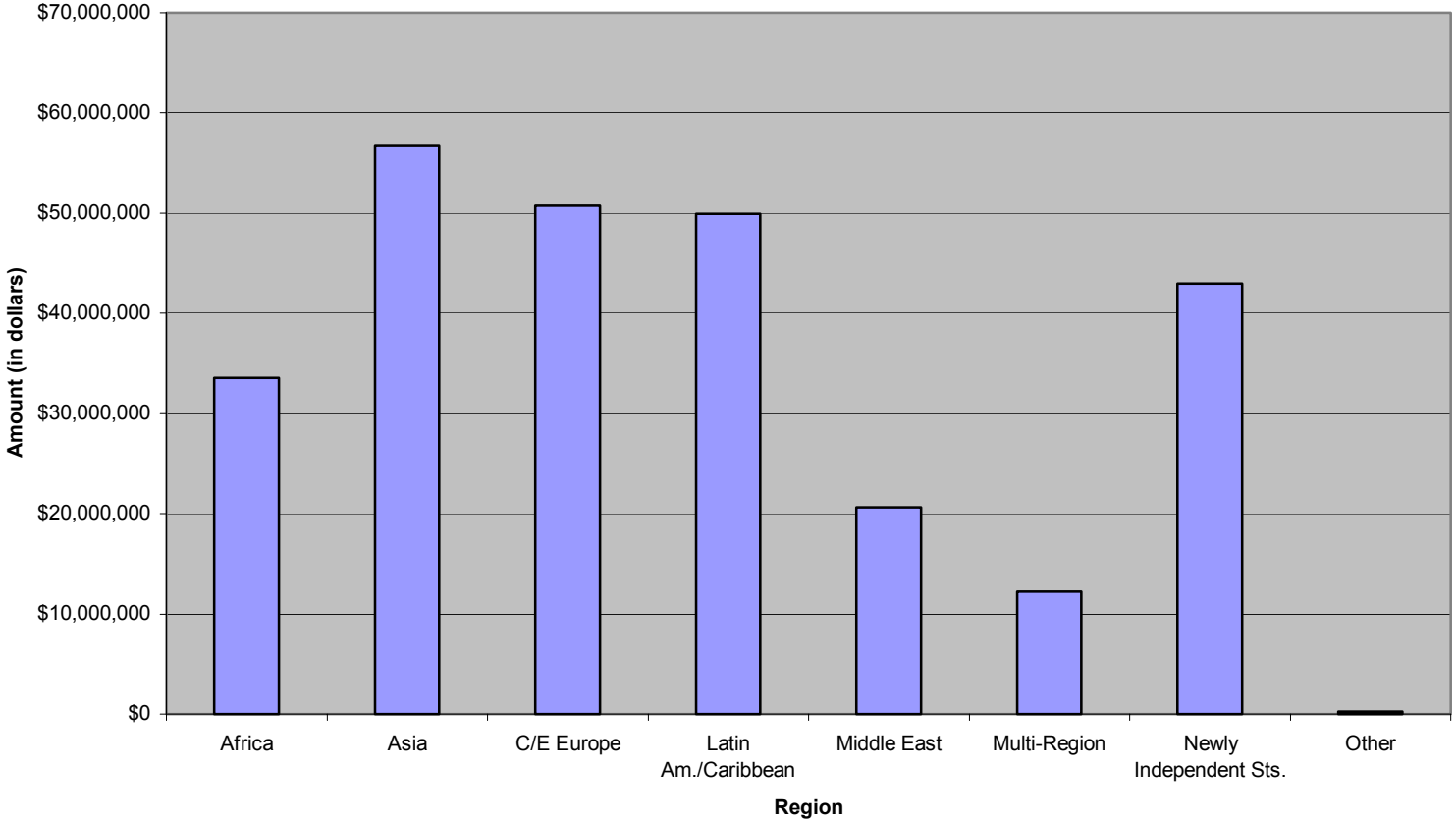

Figure 3.5: Total Amount of NED Grants by Region, 1990-1999

As with the number of NED grants by region, these totals do not show the fluctuations that occurred during the 1990s. Many of the regions saw their percent-share of NED grant money change dramatically over the course of the decade. Figure 3.6 shows these changes. It shows the percent of the total amount of NED grant money that each region received in each year from 1990-1999. Only three regions – Central and Eastern Europe, Latin America and the Caribbean, and Other – saw their percent-share of NED money decrease over the course of the decade. Central and Eastern Europe began the decade as the dominant recipient of NED money. In 1990, 49.28% of money awarded by NED went to Central and Eastern Europe. This percentage was almost twice as much as the next highest recipient of NED money (Latin America and the Caribbean with 26.34%). In 1991, Central and Eastern Europe saw its percent-share of NED money decrease by more than 50% (dropped from 49.28% to 24.28%). For the remainder of the decade, the percent-share of NED grant money awarded to Central and Eastern Europe ranged from 11.30% (in 1996) to 17.97% (in 1999). Central and Eastern Europe's percent-share and rank among the regions from 1990-1999 was the following: 49.28% (1st), 24.28% (1st), 19.13% (2nd), 14.46% (5th), 14.19% (4th), 16.02% (4th), 11.30% (6th), 13.32% (4th), 11.65% (6th), and 17.97% (2nd).

Latin America and the Caribbean began the decade by receiving 26.34%, 22.55%, and 20.96% of the NED grant money awarded in 1990, 1991, and 1992. These percentages ranked Latin American and the Caribbean second, second, and first, respectively, among the eight regions for those years. After 1992, with only one exception, the percent-share of NED money awarded to the region dropped into the mid-

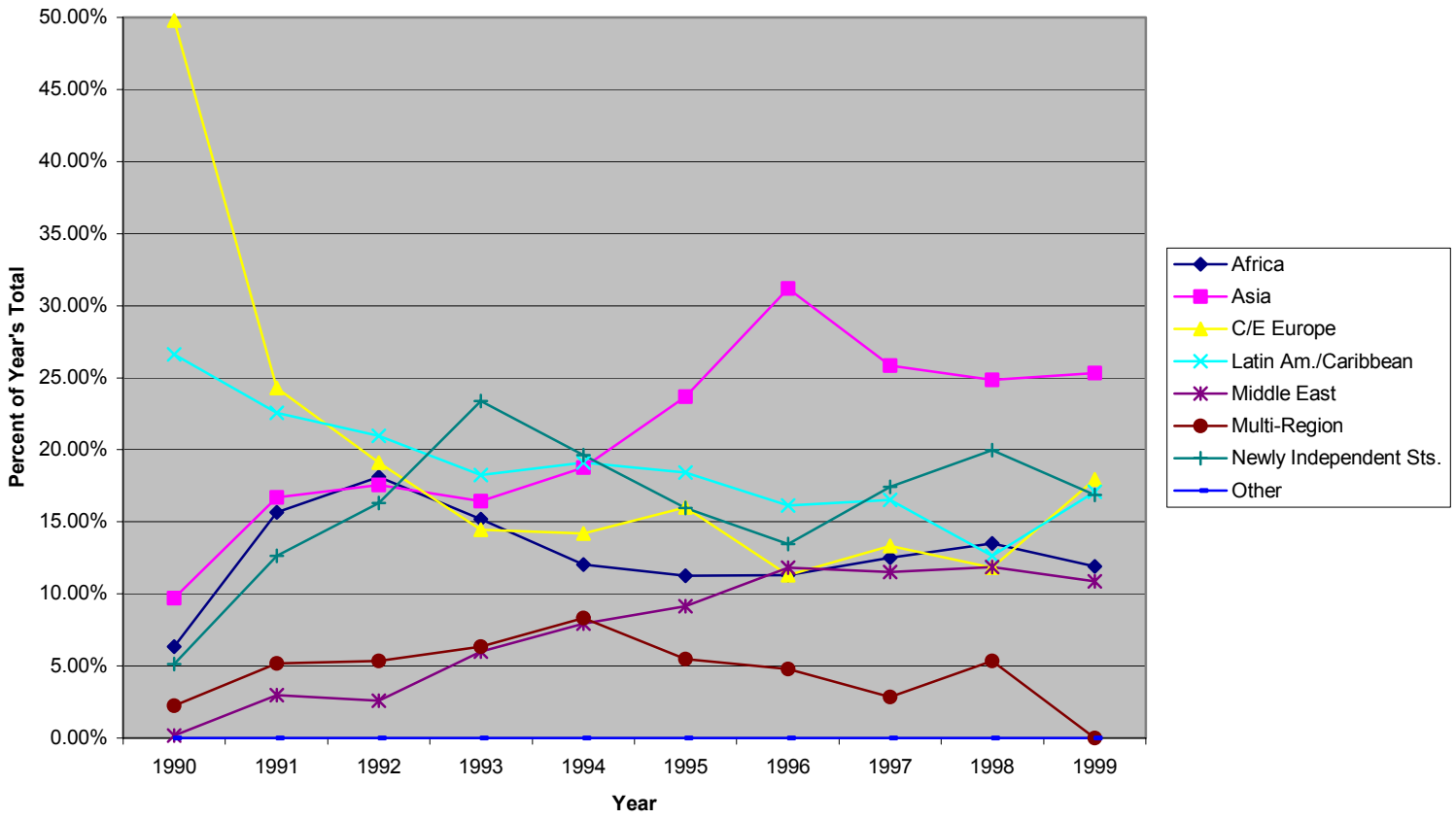

Figure 3.6: Percent of NED Grant Money by Region, 1990-1999

to-upper-teens. The exception was in 1998 when the region's percent-share of NED grant money hit a low of 12.66%. Latin American and the Caribbean's percent-share and rank among the regions from 1990-1999 was the following: 26.34% (2nd), 22.55% (2nd), 20.96% (1st), 18.24% (2nd), 19.13% (2nd), 18.43% (2nd), 16.12% (2nd), 16.51% (3rd), 12.66% (4th), and 17.09% (3rd). The Other region was awarded $270,938 in 1990. It did not receive any more NED grant money during the rest of the decade.

Four of the eight regions – Asia, the Newly Independent States, the Middle East, and Africa – saw their percent-share of NED grant money increase during the 1990s. In 1990, Asia received 9.63% of all grant money awarded by NED, making it the third leading recipient of NED grant money that year. This percentage represents the lowest share of NED money that Asia would be awarded during any year of the 1990s. From 1991-1999, Asia was the leading recipient of NED funding. For example, in every year from 1995-1999, Asia was awarded the most NED grant money of any region. Asia's percent-share reached its zenith in 1996 when the region received 31.19% of NED grant money. Its percent-share and rank among the regions from 1990-1999 was the following: 9.63% (3rd), 16.69% (3rd), 17.54% (4th), 16.44% (3rd), 18.76% (3rd), 23.70% (1st), 31.19% (1st), 25.84% (1st), 24.89% (1st), and 25.32% (1st).

The Newly Independent States began the 1990s as the fifth leading recipient of NED grant money. In 1990, the Newly Independent States received 5.08% of the grant money awarded by NED. This percent-share was easily its lowest of the decade. In the rest of the decade, its share was above 10% in every year, above 15% in seven years, and above 20% in two years. The region's highest percent-share of NED grant money was in

1993, when it received 23.39% and ranked first among the regions. Its percent-share and rank among the regions from 1990-1999 was the following: 5.08% (5th), 12.65% (5th), 16.29% (5th), 23.39% (1st), 19.61% (2nd), 15.97% (3rd), 13.45% (3rd), 17.43% (2nd), 20.03% (2nd), and 16.85% (4th).

Out of all eight regions, the Middle East's share of NED grant money has experienced the most dramatic rise. In 1990, the Middle East was awarded only $50,000 by NED. This was 0.18% of the total amount of grant money awarded by NED. From 1991-1995, the Middle East's percent-share of NED grant money steadily increased. In 1996, its percent-share exceeded 10% for the first time in the decade. In the three years that followed, its share of NED money remained above 10.00%, reaching a high of 11.88% in 1998 (ranking it fifth among the regions). Despite this dramatic rise in its share of NED grant money, the Middle East ranked sixth or seventh among the regions in every year except 1996 and 1998. Its percent-share and rank among the regions from 1990-1999 was the following: 0.18% (7th), 2.99% (7th), 2.60% (7th), 5.98% (7th), 7.93% (7th), 9.16% (6th), 11.84% (4th), 11.53% (6th), 11.88% (5th), and 10.86% (6th).

Africa also witnessed a strong increase in its share of NED grant money. In 1990, Africa was awarded 6.28% of all NED grant money (ranking fourth among the regions). By the end of the decade, this share had risen to 11.91% (ranking it fifth). From 1991-1999, Africa received more than 10% of NED grant money in each year. Its highest share of NED grant money was in 1992, when it received 18.13% (ranking it third for that year). The region also surpassed the 15% level in 1991 and 1993, when it was awarded 15.67% and 15.16% of NED grant money (ranking it fourth in both years,

respectively). Africa's percent-share and rank among the regions from 1990-1999 was the following: 6.28% (4th), 15.67% (4th), 18.13% (3rd), 15.16% (4th), 12.04% (5th), 11.26% (5th), 11.30% (5th), 12.53% (5th), 13.52% (3rd), and 11.91% (5th).

In 1990, the last region – Multi-Region – was awarded only 2.22% of all NED grant money, making it the seventh leading recipient that year. The share of grants awarded to Multi-Region hit a high of 8.33% in 1994 (making it the sixth leading recipient that year). However, in 1999, the region ended the decade by receiving no funding from NED. Multi-Region's percent-share and rank among the regions from 1990-1999 was the following: 2.22% (6th), 5.16% (6th), 5.36% (6th), 6.33% (7th), 8.33% (6th), 5.46% (7th), 4.80% (7th), 2.85% (7th), 5.38% (7th), and 0.00% (7th).

COUNTRY OVERVIEW

Table 3.3 shows the ten countries whose organizations were awarded the highest number of NED grants during the 1990s. These totals include NED grants that were awarded to a single organization or multiple organizations that are active within a single country. During the 1990s, China and Russia were easily awarded the highest number of NED grants with 222 and 221, respectively. The third highest recipient – Nigeria with 93 grants – was awarded fewer than half of the number of NED grants that China and Russia were awarded. The rest of the ten leading recipients and the number of grants that each received in the 1990s was the following: Ukraine was fourth with 92, Cuba was fifth with 81 grants, Romania and Zaire were tied for sixth with 69 grants, Burma was eighth with 67 grants, Poland was ninth with 64 grants, and Nicaragua was tenth with 63 grants.

Table 3.3: 10 Leading Recipients of NED Grants, 1990-1999

Rank	Country	# of NED Grants
1	China	222
2	Russia	221
3	Nigeria	93
4	Ukraine	92
5	Cuba	81
6	Romania	69
7	Zaire	69
8	Burma	67
9	Poland	64
10	Nicaragua	63

Table 3.4: 10 Leading Recipients of NED Grant Money, 1990-1999

Rank	Country	Total NED $
1	China	$20,999,229
2	Russia	$15,522,687
3	Poland	$9,166,499
4	Ukraine	$8,611,558
5	Nicaragua	$7,541,963
6	South Africa	$6,016,424
7	Romania	$5,833,829
8	Cuba	$5,707,893
9	Mexico	$5,373,409
10	Bulgaria	$5,356,105

Table 3.4 shows the ten countries that NED awarded the most grant money to during the 1990s. Again, these totals include NED grant money that was awarded to a single organization or multiple organizations that were active within a single country. China was awarded $20,999,229 by NED – easily the most grant money awarded to any country during the 1990s. Russia was awarded the second highest amount with $15,522,687. Poland was a distant third with $9,166,499 in NED grant money. The rest of the ten leading recipients of NED grant money and the amount that each received in the 1990s was the following: Ukraine was fourth with $8,611,558; Nicaragua was fifth with $7,541,963; South Africa was sixth with $6,016,424; Romania was seventh with $5,833,829; Cuba was eighth $5,707,893; Mexico was ninth with $5,373,409; and Bulgaria was tenth with $5,356,105.

Tables 3.5 and 3.6 show the countries that were the ten leading recipients of NED grants and grant money for each individual year during the 1990s. In 1990, Poland was the leading recipient of NED grants (19) and grant money ($4,969,613). Russia received the most grants and grant money in 1991 with 17 and $1,091,392, respectively. In 1992, Burma was the leading recipient of grants (27) and grant money ($2,150,082). From 1993 through the end of the decade, China and Russia were the dominant recipients of NED grants and grant money. China received the most grants of any country in 1993, 1995, 1996, 1997, and 1998. China also received the most grant money in 1995, 1996, 1997, 1998, and 1999. Russia was the leading recipient of NED grants in 1994 and 1999. It was also the second leading recipient of grants in 1993, 1995, 1996, 1997, and 1998.

Table 3.5: 10 Leading NED Grant Recipients by Year

Year	Rank	Country	# of Grants
1990	1	Poland	19
1990	2	Romania	16
1990	3	Bulgaria	14
1990	4	Mexico	12
1990	5	Hungary	9
1990	6	Nicaragua	9
1990	7	China	7
1990	8	Haiti	7
1990	9	Paraguay	7
1990	10	Argentina	6
1991	1	Russia	17
1991	2	China	10
1991	3	Nicaragua	10
1991	4	Poland	10
1991	5	South Africa	9
1991	6	Chile	7
1991	7	Cuba	7
1991	8	Hungary	7
1991	9	Burma	6
1991	10	Romania	6
1992	1	Burma	27
1992	2	Russia	18
1992	3	Cuba	13
1992	4	South Africa	13
1992	5	Poland	12
1992	6	Nicaragua	10
1992	7	China	8
1992	8	Ethiopia	6
1992	9	Mexico	5
1992	10	Nigeria	5

(table continued)

Year	Rank	Country	# of Grants
1993	1	China	27
1993	2	Russia	24
1993	3	Ukraine	17
1993	4	South Africa	12
1993	5	Cuba	9
1993	6	Slovakia	8
1993	7	Peru	7
1993	8	Hungary	6
1993	9	Kenya	6
1993	10	Nicaragua	6
1994	1	Russia	25
1994	2	China	23
1994	3	Ukraine	11
1994	4	Mexico	10
1994	5	Cuba	8
1994	6	Nicaragua	8
1994	7	South Africa	8
1994	8	Romania	7
1994	9	Kenya	6
1994	10	Peru	6
1995	1	China	28
1995	2	Russia	21
1995	3	Cambodia	11
1995	4	Cuba	9
1995	5	Nigeria	9
1995	6	Nicaragua	8
1995	7	Mexico	7
1995	8	Romania	7
1995	9	Ukraine	7
1995	10	Venezuela	7
1996	1	China	29
1996	2	Russia	23
1996	3	Cambodia	12

(table continued)

Year	Rank	Country	# of Grants
1996	4	Nigeria	11
1996	5	Ukraine	10
1996	6	Zaire	10
1996	7	Bosnia	8
1996	8	Cuba	8
1996	9	Romania	7
1996	10	Venezuela	7
1997	1	China	30
1997	2	Russia	28
1997	3	Nigeria	16
1997	4	Belarus	13
1997	5	Ukraine	10
1997	6	Zaire	10
1997	7	Mexico	8
1997	8	Romania	8
1997	9	Cuba	7
1997	10	Lybia	7
1998	1	China	40
1998	2	Russia	35
1998	3	Nigeria	21
1998	4	Ukraine	15
1998	5	Zaire	14
1998	6	Belarus	13
1998	7	Slovakia	11
1998	8	Mexico	8
1998	9	Venezuela	8
1998	10	Colombia	7
1999	1	Russia	30
1999	2	Burma	28
1999	3	Belarus	20
1999	4	China	20
1999	5	Zaire	18
1999	6	Nigeria	16

(table continued)

Year	Rank	Country	# of Grants
1999	7	Slovakia	15
1999	8	Ukraine	14
1999	9	Bosnia	10
1999	10	Cuba	9

Table 3.6: 10 Leading NED Grant Money Recipients by Year

Year	Rank	Country	NED $ Awarded
1990	1	Poland	$4,969,613
1990	2	Bulgaria	$2,210,686
1990	3	Romania	$1,724,551
1990	4	Nicaragua	$1,309,329
1990	5	Haiti	$1,234,000
1990	6	Hungary	$897,461
1990	7	Mexico	$834,740
1990	8	Burma	$608,865
1990	9	Brazil	$583,122
1990	10	South Africa	$545,500
1991	1	Russia	$1,091,392
1991	2	Poland	$892,025
1991	3	South Africa	$887,928
1991	4	Albania	$848,136
1991	5	Burma	$806,932
1991	6	Nicaragua	$750,130
1991	7	Hungary	$671,585
1991	8	China	$579,537
1991	9	Chile	$545,200
1991	10	Bulgaria	$538,786
1992	1	Burma	$2,150,082
1992	2	South Africa	$1,778,720
1992	3	Nicaragua	$1,278,034
1992	4	Poland	$751,539
1992	5	Russia	$747,219
1992	6	Cuba	$655,643
1992	7	Hungary	$569,480
1992	8	China	$409,000
1992	9	Philippines	$398,000

(table continued)

Year	Rank	Country	NED $ Awarded
1992	10	Romania	$397,960
1993	1	Russia	$2,379,059
1993	2	China	$1,791,011
1993	3	Ukraine	$1,408,483
1993	4	South Africa	$1,164,809
1993	5	Nicaragua	$998,491
1993	6	Hungary	$806,145
1993	7	Cuba	$520,100
1993	8	Peru	$479,335
1993	9	Slovakia	$445,304
1993	10	Poland	$392,421
1994	1	Russia	$2,212,595
1994	2	Ukraine	$2,150,656
1994	3	China	$1,866,835
1994	4	Nicaragua	$1,218,532
1994	5	Mexico	$898,090
1994	6	South Africa	$616,459
1994	7	Poland	$585,058
1994	8	Lithuania	$579,141
1994	9	Cuba	$577,965
1994	10	Dem Rep Vietnam	$565,770
1995	1	China	$2,276,516
1995	2	Russia	$2,166,461
1995	3	Ukraine	$1,131,289
1995	4	Cambodia	$986,478
1995	5	Cuba	$873,563
1995	6	Nicaragua	$697,739
1995	7	Mexico	$694,483
1995	8	Poland	$623,402
1995	9	Bulgaria	$537,636
1995	10	Romania	$472,892
1996	1	China	$3,856,228
1996	2	Russia	$1,541,660

(table continued)

Year	Rank	Country	NED $ Awarded
1996	3	Cambodia	$1,248,363
1996	4	Cuba	$719,780
1996	5	Ukraine	$678,665
1996	6	Venezuela	$612,130
1996	7	Romania	$575,273
1996	8	Bosnia	$548,746
1996	9	Nigeria	$470,056
1996	10	Poland	$462,914
1997	1	China	$3,308,026
1997	2	Russia	$1,519,683
1997	3	Cambodia	$1,176,691
1997	4	Mexico	$1,103,450
1997	5	Nigeria	$1,024,953
1997	6	Romania	$952,124
1997	7	Belarus	$752,967
1997	8	Ukraine	$707,145
1997	9	Turkey	$673,695
1997	10	Lithuania	$670,396
1998	1	China	$3,859,193
1998	2	Russia	$2,471,603
1998	3	Nigeria	$1,089,978
1998	4	Ukraine	$994,678
1998	5	Turkey	$760,616
1998	6	Slovakia	$760,548
1998	7	Mexico	$714,354
1998	8	Belarus	$673,984
1998	9	Venezuela	$601,334
1998	10	Egypt	$496,255
1999	1	China	$2,649,133
1999	2	Burma	$1,648,200
1999	3	Russia	$1,393,015
1999	4	Venezuela	$1,051,370
1999	5	Ukraine	$1,023,502

(table continued)

Year	Rank	Country	NED $ Awarded
1999	6	Belarus	$909,074
1999	7	Cuba	$744,453
1999	8	Slovakia	$723,555
1999	9	Turkey	$651,214
1999	10	Peru	$618,993

Russia received the most grant money in 1993 and 1994. It was also the second leading recipient of grant money in 1995, 1996, 1997, and 1998.

Figures 3.7 and 3.8 show the percent of all NED grants and grant money that were awarded to top ten recipients in each year. The figures reveal that, in each year of the 1990s, NED concentrated a high percentage of its grants and grant money in the ten leading recipients of each. In every year during the decade, over 30% of NED grants and grant money were concentrated in its top ten recipients. In five out of ten years (1990, 1993, 1997, 1998, and 1999), over 40% of NED grants and grant money were concentrated in its top ten recipients. One year – 1990 – saw over 50 percent of grant money awarded to NED's top ten recipients that year. This indicates that NED focused its yearly grant making on a select few countries. For the entire decade, this conclusion also holds true – 31.96% of NED grants and 33.75% of NED grant money in the 1990s went to the top ten overall recipients of each.

CONCLUSION

This chapter provides an overview of NED grant activity during the 1990s. It reveals which regions and countries were the leading recipients of grants and grant money. It also reveals the trends in NED grant activity that emerged during the decade.

The analysis finds that the number of grants awarded by NED increased during the 1990s. In the first four years of the decade (1990-1993), the number of grants awarded in each year is below the decade's average number of yearly grants. Over the final six years (1994-1999), the number of grants awarded in each of these years is above

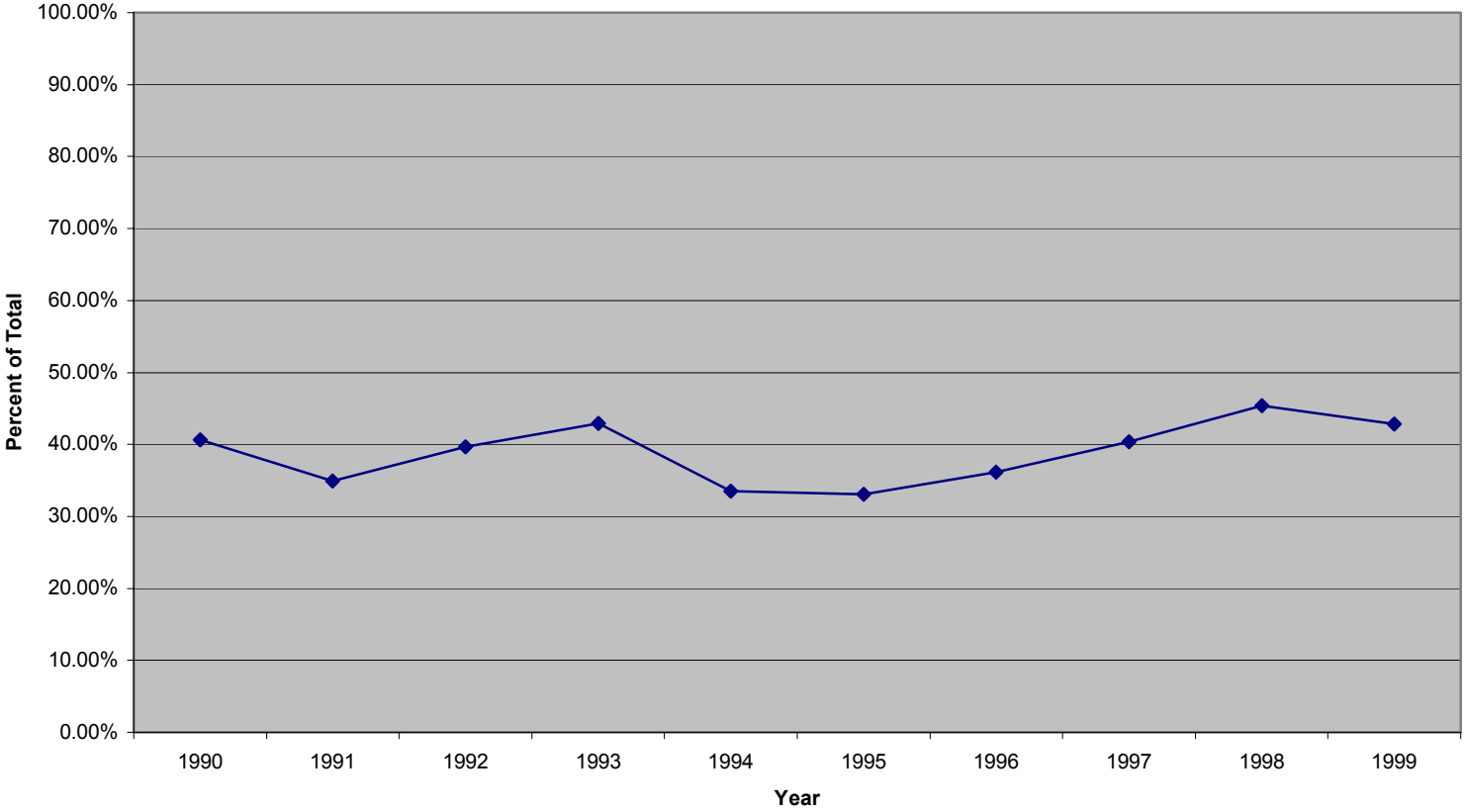

Figure 3.7: Percent of NED Grats Going to Top 10 Recipients, 1990-1999

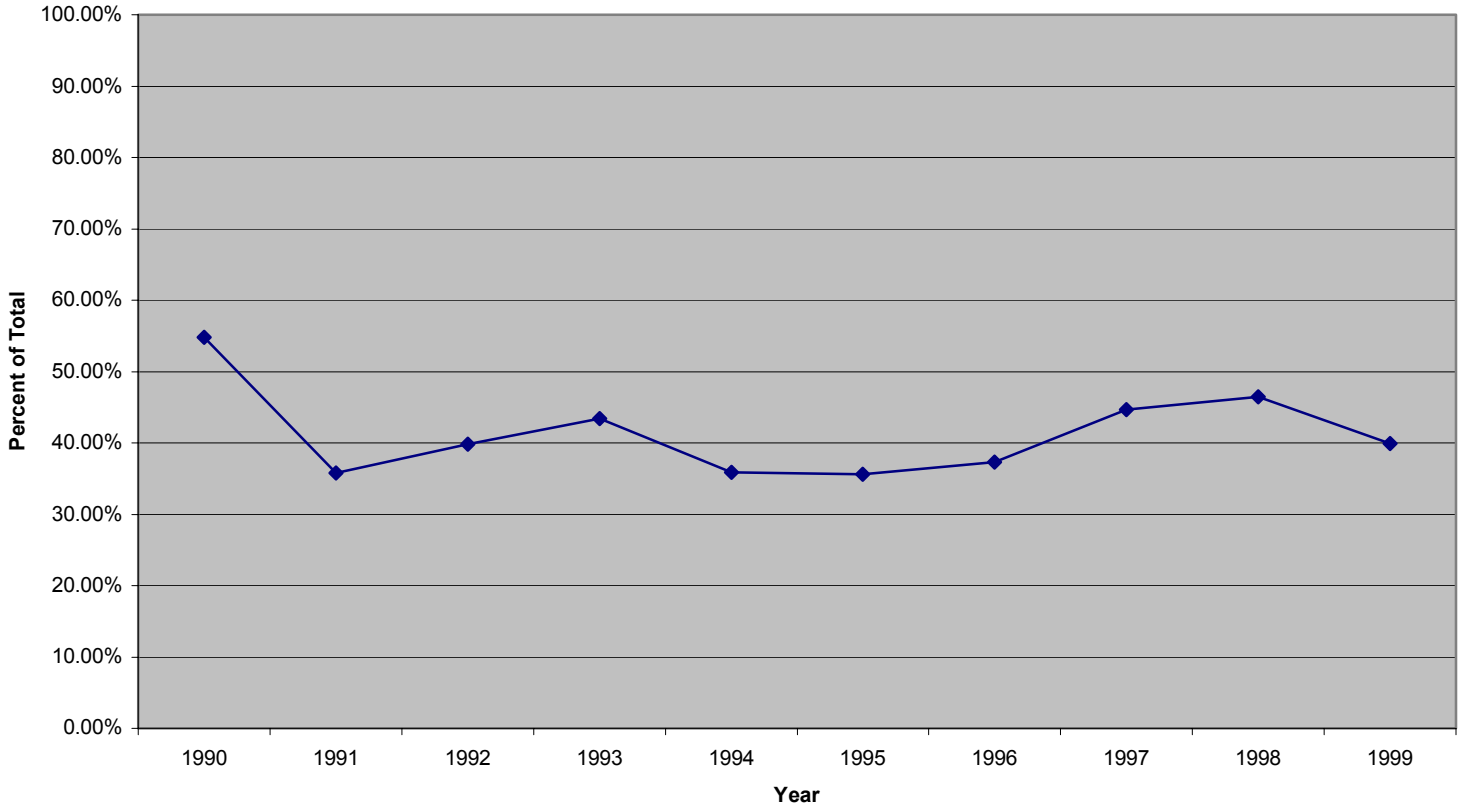

Figure 3.8: Percent of NED Grant Money Going to Top 10 Recipients, 1990-1999

the decade's average. Throughout the 1990s, the amount of NED grant money awarded also varied – it was lower in 1991, 1992, and 1993 than in other years.

Central and Eastern Europe and Latin American and the Caribbean began the 1990s as the leading recipients of NED grants and saw their percent-share of grants deteriorate throughout the decade. The Newly-Independent States, Africa, the Middle East, and Asia saw their percent-share of NED grants increase over the course of the decade. The two remaining regions – Multi-Region and Other – experienced no growth in the number of NED grants that they received.

Central and Eastern Europe, Latin America and the Caribbean, and Other saw their percent-share of NED grant money decrease over the course of the decade. Asia, the Newly Independent States, the Middle East, and Africa saw their percent-share of NED grant money increase. Multi-Region saw little change in the amount of NED grant money that it received in the 1990s.

Among individual countries, China and Russia were the dominant recipients of NED grants and grant money. They were awarded the most NED grants and grant money in the 1990s. Just as NED awarded a large number of grants and a large amount of grant money to just these two countries, it also concentrated a high percentage of its grants and grant money in the ten leading recipients of each throughout the decade.

CHAPTER 4
THE DETERMINANTS OF NATIONAL ENDOWMENT FOR DEMOCRACY GRANT RECIPIENTS AND HOW MUCH THEY RECEIVE, 1990-1999

INTRODUCTION

The National Endowment for Democracy (NED) exists to promote democracy and economic freedom in countries around the world. The goal of this chapter is to analyze aggregate data on NED's grant making program in order to gain insight into the determinants of which organizations are awarded NED grants and how much grant money they receive. Until now, such an analysis has not been performed, leaving a gaping hole in the literature on NED.

LITERATURE REVIEW

This analysis will use the rich theoretical and empirical literature that analyzes the determinants of U.S. foreign aid funding decisions as its foundation and starting point. This extensive literature covers three decades and includes Blanton 1994; Carleton and Stohl 1987; Cingranelli and Pasquarello 1985; Hofrenning 1990; Lebovic 1988; McCormick and Mitchell 1988; McKinlay and Little 1979; Meernik, Krueger et al. 1998; Pasquarello 1988; Poe 1991 and 1992; Poe, et al. 1994; Poe and Sirirangsi 1994; Stohl and Carleton 1985; Stohl, Carleton, and Johnson 1984; and Wittkopf 1972. From this literature, certain factors have been mentioned as potentially important in U.S. foreign aid funding decisions. The factors include the following:

- Level of U.S. Military Presence within a Given Country (Poe 1991, 1992; Poe and Meernik 1995; and Meernik, et al. 1998).
- Level of a Given Country's Openness to U.S. Trade (Cingranelli and Pasquarello 1995; McKinlay and Little 1979; Meernik, et al. 1998; Poe and Meernik 1995; Poe et al. 1994; and Wittkopf 1972).

- Level of a Given Country's Economic Development (McKinlay and Little1979; Meernik et al. 1998; Poe and Meernik, 1995; Poe et al. 1994).
- Whether the Given Country is a U.S. Alliance Partner (Meernik et al. 1998; Poe 1991, 1992; Poe and Meernik, 1995).
- Population of a Given Country (Cingranelli and Pasquarello 1985, McKinlay and Little 1979, Meernik et al. 1998; Poe and Meernik 1995; Poe et al. 1994; Wittkopf 1972).
- Size of a Given Country's Economy (Cingranelli and Pasquarello 1985, McKinlay and Little 1979, Meernik et al. 1998; Poe and Meernik 1995; Poe et al. 1994; Wittkopf 1972).

These variables – plus one other (U.S. foreign aid allocations in the same year) – will be used as control variables in the analysis that follows. The operationalizations used for these variables largely come from the articles in this literature and will be described at length below. They will control for the traditional motivations behind U.S. foreign aid decisions and help allow for the true impact of our independent variables-of-interest (democracy and economic freedom) on NED grant making decisions to be analyzed.

RESEARCH DESIGN

The analysis of NED's grant making will be performed in two stages. The first stage will compare the means of countries that received NED grant money and countries that did not receive NED grant money in regard to the independent variables-of-interest, all of the control variables gleaned from the literature on U.S. foreign aid allocations, and the U.S. foreign aid allocation variable. The difference of means test on these variables will give us preliminary evidence about how recipients and non-recipients compare and show which variables appear to have the most impact on NED grant decisions.

The second stage of the analysis will use regression techniques to further analyze these variables. The regression analysis will have two parts. The first looks at the countries that receive NED grants. The second looks at how much grant money countries

receive from NED. Data for all variables are available for 1990-1999, except for the economic freedom variable, which is only available from 1994-1999. Due to this data limitation, each model will be estimated twice. First, a model including data from 1994-1999 will be estimated that includes both independent variables of interest (democracy and economic freedom). Second, a model including only the democracy independent variable will be estimated for the years 1990-1999. In all models estimated, variables are included to control for traditional motivations for the granting of United States (U.S.) foreign aid. This will allow for the true influence of democracy and economic freedom on NED funding decisions to be established.

Data from all countries – industrialized and unindustrialized – will be included in all of these models. Even though NED's activities are primarily aimed at unindustrialized, third world countries, the organization is not restricted from making grants to industrialized, first world countries. Groups from any country are eligible to apply for and receive NED funding. Even though NED rarely funds groups that are active in industrialized countries, instances of such assistance exist. For example, as discussed in Chapter 2, NED awarded grant money to opposition groups in France during the mid-1980s. Also, in 1990, an organization representing activist labor unions in Portugal received $270,938 from NED to help it mobilize workers and promote their rights in the country. Since assistance to industrialized countries is not restricted by NED and such assistance has been given in the past, the inclusion of data from industrialized countries in this analysis seems appropriate. In fact, estimating all models with and without data from industrialized countries made, in almost every instance, no difference

in the coefficients and significance of variables in each model. Ultimately, the exclusion of data from industrial countries would have made no impact on the broader conclusions drawn from the results of these models.

Appendix C contains tables that show the observations that will be used to estimate each of the models. Unfortunately, data for every country and every year are not available. The countries that have missing data tend be third world countries that are either in chaos and/or isolated from the rest of the world. Since wealthier countries are more likely to have sufficient data to be included in the analysis, the possibility exists that the analysis' results could be skewed toward these wealthier countries and might not provide accurate representation to poorer countries. As discussed in the preceding paragraph, all of the models were estimated with and without data from industrialized countries and, in almost every instance, there was no difference in the coefficients and significance of the variables. This suggests that the results are not skewed toward wealthier countries to such an extent that they render any conclusions unreliable. In Appendix D, year-by-year correlation tables are provided that allow for further inspection of the data used in this chapter.

In the first model, the dependent variable will be dichotomous. For each country, **NED Grant Recipient** will be coded "1" if any group that was active within the given country received NED grant money that year and "0" if no groups received NED grant money that year. NED's Democracy Projects Database contains data on all grant recipients. It is available on the internet at the following URL:

<http://www.ned.org/database/projects.asp>. Since the dependent variable of the first model is dichotomous, logit regression will be used for its estimation.

In the second model, the dependent variable – **Amount of NED Grants** – will be the total amount of funding received by groups that were active within the given country during that year. The data are also available from the NED's Democracy Projects Database. Tobit regression will be used to estimate this model because the dependent variable is censored. A dependent variable is considered to be censored when the variable's data cannot have a value below a certain lower limit or above a certain upper limit, and a substantial number of observations are clustered at the lower or upper limit (Breen 12, 1996; Frone 3, 1997; McDonald and Moffitt 318 and 319, 1980; and Tobin 24 and 25, 1958). Since a substantial number of countries received no NED grant money in each year (giving a substantial number of observations for the dependent variable used in this model a value at the lower limit of "0"), the dependent variable used in this model is censored.

Using ordinary-least-squares (OLS) regression to estimate a model with a censored dependent variable is problematic. Among the problems caused by using OLS are the following: nonsensical predicted values, biased regression coefficients, error terms that are not normally distributed, and heteroskedasticity (Breen 12-16, 1996; Frone 3, 1997; McDonald and Moffitt 318, 1980; and Tobin 25, 1958). Tobit regression overcomes these problems by using the maximum likelihood (ML) method of estimation. ML estimation for the Tobit model divides the censored dependent variable's

observations into two sets – a set containing all of the variable's uncensored observations (those not clustered at the given limit) and a set containing its censored observations (those clustered at the limit). ML uses these two sets to find estimates that would have most likely generated the observed data. ML tests various population parameters in order to find the set of parameters that maximizes the likelihood of finding the variable's observations (Breen 12-27, 1996; McDonald and Moffitt 318 and 319, 1980; and Tobin 25-30, 1958). The use of ML estimation has been shown to produce consistent estimates for models containing censored dependent variables (McDonald and Moffitt 319, 1980).

INDEPENDENT VARIABLES-OF-INTEREST

Level of Democracy. This variable measures the level of democracy in a country in a given year. The data-sources for this variable will be the Polity 3d and Polity 4 data-sets. The Polity data-sets operationalize democracy through the following factors: participation, competitiveness, openness, and constraints on the executive. These factors are combined into one number that captures the level of democracy found in a country in a given year. The variable's value ranges from 1 (low democracy) to 10 (high democracy). In studies of the democratic peace proposition, the Polity datasets are commonly used to quantify the level of democracy in a given country (see Bremer 1992, Farber and Gowa 1995, Gowa 1995, Mansfield and Snyder 1995, Maoz and Abdolali 1989, Maoz and Russett 1993, Oren 1995, Russett 1993, and Weede 1992). Data for this variable are available for every country during the time-period under study, unless a country is undergoing tremendous upheaval and is considered to be in a period of political transition or uncertainty. The variable will be included as an independent

variable of interest to help show how much a country's level of democracy factors into NED's grant making decisions.

Level of Economic Freedom. This variable measures the level of governmental interference in the economic life of a given country. The economic freedom variable will come from the annual *Index of Economic Freedom* compiled by The Heritage Foundation and *The Wall Street Journal*. It focuses on ten economic factors - trade policy, taxation, general government intervention, monetary policy, capital flows/foreign investment, banking, wage/price controls, property rights, regulation, and the black market. The average of these ten factors represents the level of total economic freedom experienced by a country in a given year. This is the only available measure that includes all of these factors.

The variable's value ranges from 1.00 to 5.00. Countries are categorized as "Free," "Mostly Free," "Mostly Unfree," and "Repressed" based on their economic freedom score. The values associated with each categorization are the following:

- 1.00 and 1.99 – Free
- 2.00 and 2.99 – Mostly Free
- 3.00 and 3.99 – Mostly Unfree
- 4.00 and 5.00 – Repressed

This variable will be included as an independent variable of interest to help show how much a country's level of economic freedom factors into NED's grant-making decisions.

CONTROL VARIABLES

U.S. Military Presence. This value of this variable equals the number of U.S. military personnel that are stationed within a given country during a given year. The presence of U.S. military personnel in a country shows that the U.S. has a special military

interest in the country. Financial support of the country by the U.S. through traditional foreign aid (or NED funding) could be seen as an effort to protect and/or supplement U.S. military and security interests by reinforcing positive relations with the host country and helping to keep the leadership of the host country in power (Poe 1991, 1992; Poe and Meernik 1995; and Meernik, et al. 1998). The U.S. Military Presence variable will help control for the impact of U.S. geopolitical self-interest on NED's grant making decisions. The source for military personnel data used here is the *Worldwide Manpower Distribution by Geographical Area* report published by the Directorate for Information Operations and Reports of the U.S. Department of Defense's Washington Headquarters Service.

Openness to U.S. Trade. This variable controls for U.S. economic self-interest, instead of geopolitical self-interest. The primary impetus for promoting the economic self-interest of the United States comes from private political pressure on the government to help open markets to U.S. trade and help create more money-making opportunities for U.S. business interests. By using financial assistance to promote U.S. business interests, the government can be seen as promoting further U.S. economic development (Cingranelli and Pasquarello 1995; McKinlay and Little 1979; Meernik, et al. 1998; Poe and Meernik 1995; Poe et al. 1994; and Wittkopf 1972).

Awarding NED funding to a country that is open to U.S. trade may be seen as a reward for trading with the U.S., and/or an inducement to even more trade in the future. Withholding NED funding to a country could also be seen as a punishment to countries that do not trade with the U.S. As with the U.S. Military Presence variable, if NED

money goes to frequent trade partners of the U.S., NED funding could be seen as a supplement of existing U.S. trade policy. A given country's openness to U.S. Trade will be measured by dividing the total amount of bilateral trade between the country and the U.S. by the country's gross-domestic product (in 1995 dollars). The data for this variable will come from various editions of the International Monetary Fund's (IMF) *Direction of Trade Statistics Yearbook* and *International Financial Statistics Yearbook.*

Level of Economic Development. This variable reflects the standard of living found in a country during a given year. It helps control for a traditional motive of foreign aid – humanitarianism. Financial assistance awarded to a country with a low level of economic development can be seen as an altruistic attempt to improve the lives of people who are in distress, not as a calculated attempt for geopolitical and/or economic gain (McKinlay and Little1979; Meernik et al. 1998; Poe and Meernik, 1995; Poe et al. 1994). This variable will help control for how much a country's financial need impacts NED's grant-making decisions. A country's per-capita gross domestic product (in 1995 dollars) will be used to measure its level of development. This source for this variable will be various editions of the IMF's *International Financial Statistics Yearbook.*

Alliance Partner. This variable takes into account the possibility that a government may give preferential treatment in foreign aid decisions (including NED grant making) to countries that it has an amicable relationship with, feels that it has a commitment to protect, and/or needs to keep in a given alliance. Giving financial assistance to allies promotes U.S. geopolitical and economic interests by protecting the country's standing with military and economic partners (Meernik et al. 1998; Poe 1991,

1992; Poe and Meernik, 1995). Ally countries include Japan, the Philippines, South Korea, as well as formal members of the North Atlantic Treaty Organization, the Rio Pact, and the South-East Asian Treaty Organization. The alliance partner variable helps control for how positive prior military and economic relationships – as expressed through alliances – impact NED grant-making decisions.

Population and **Size of Economy.** Both of these variables control for the relative importance of a given country – militarily and economically. Countries with large populations or large economies (as measured by gross domestic product) may garner special attention due to their importance and, as a result, be given a disproportionate amount of financial assistance (including NED grant money). Large countries (population-wise and economy-wise) can be seen as having greater political and economic weight than small countries and, therefore, can be considered as more "important." Small countries, despite their potentially greater need for assistance, could be overlooked due their lack of political and/or economic impact. They can be perceived as less "important." (Cingranelli and Pasquarello 1985, McKinlay and Little 1979, Meernik et al. 1998; Poe and Meernik 1995; Poe et al. 1994; Wittkopf 1972). Financial assistance to large countries can be seen as furthering U.S. political and economic interests. Both measures will come from various editions of the IMF's *International Financial Statistics Yearbook.*

Level of U.S. Foreign Aid. This variable controls for the possibility that NED funding is just an extension of the entire U.S. foreign aid program. If true, NED grant decisions would be dictated by the same factors and have the same goals as traditional

U.S. foreign aid, and NED's grant money would flow to countries who are already regular recipients of U.S. foreign aid. Data on U.S. foreign aid will come from the Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC).

DIFFERENCE OF MEANS TEST RESULTS

As shown in Table 4.1, the average U.S. military presence in countries that received NED grants (5,110) is lower than the average U.S. military presence in countries that did not receive NED grants (5,571), but the difference is not statistically significant. Since the presence of U.S. military personnel is an indicator of the level of U.S. military interest in the country (Poe 1991, 1992; Poe and Meernik 1995; and Meernik, et al. 1998), the suggestion that NED grants may be used to protect and/or supplement U.S. military and security interests is not supported.

The average level of openness to U.S. trade in recipient countries (0.068) is less than the average level of openness to U.S. trade in non-recipient countries (0.092). The difference is statistically significant. As the literature on the impact of U.S. trade interests on foreign aid allocations discusses (Cingranelli and Pasquarello 1995; McKinlay and Little 1979; Meernik, et al. 1998; Poe and Meernik 1995; Poe et al. 1994; and Wittkopf 1972), assistance to these less-open countries may be an inducement to even more trade in the future. This indicates that NED grants could be a tool to help open markets to U.S. business interests.

The average level of economic development found in recipient countries ($1,840) is much less than the average level of economic development in non-recipient countries

Table 4.1: Difference of Means Test Results for Recipients and Non-Recipients of NED Grant Money, 1990-1999

Variable	Recipient	Non-Recipient	T-Value
U.S. Military Presence	5,110	5,571	-0.243
Openness to U.S. Trade	0.068	0.092	-4.205*
Level of Economic Development	$1,840	$9,727	-7.889*
U.S. Alliance Partner	0.304	0.293	0.480
Population	238,440,152	38,492,195	5.358*
Size of Economy	$318,363,565,910	$360,979,164,211	-0.098
Level of U.S. Foreign Aid	$127,021,954	$2,739,821	4.523*
Level of Democracy	4.446	5.480	-4.875*
Level of Economic Freedom	3.445	2.896	11.498*

*p<.01

($9,727). The difference is statistically significant. According to the literature on U.S. foreign aid allocations (McKinlay and Little1979; Meernik et al. 1998; Poe and Meernik, 1995; Poe et al. 1994), this indicates that NED grant decisions may be based on the need of the applicant country and that geopolitical and/or economic gain for the U.S. is not a driving force behind NED grant decisions.

Recipients of NED grant money tend to participate in slightly more alliances with the U.S. than non-recipients. 30.4% of NED grant recipients are alliance members, and 29.3% of non-recipients are alliance members. However, the difference is not statistically significant. According to the literature on U.S. foreign aid allocations (Meernik et al. 1998; Poe 1991, 1992; Poe and Meernik, 1995), this indicates that geopolitical interests, economic interests, and/or an interest in protecting our country's standing with military and economic partners may not guide NED grant decisions.

The average population of recipient countries (238,440,152) is dramatically higher than the average population of non-recipient countries (38,492,195), and the difference is statistically significant. According to the literature on U.S. foreign aid allocations (Cingranelli and Pasquarello 1985, McKinlay and Little 1979, Meernik et al. 1998; Poe and Meernik 1995; Poe et al. 1994; Wittkopf 1972), this indicates that countries with large populations may attract more attention from NED because they may be seen as "more important."

Whereas a larger population means more NED grants, a larger economy does not. The average economic size of recipients ($318.4 billion) is less than the average economic size of non-recipients ($361.0 billion). The difference is not statistically

significant. This indicates that the economic size of applicant countries may not have a large impact on NED grant decisions. The possibility raised in the literature (Cingranelli and Pasquarello 1985, McKinlay and Little 1979, Meernik et al. 1998; Poe and Meernik 1995; Poe et al. 1994; Wittkopf 1972) that economically "more important" countries are shown favoritism in funding decisions does not seem to be true.

The average level of U.S. foreign aid received by recipient countries ($127.0 million) is far greater than the average level received by non-recipient countries ($2.7 million). The difference is statistically significant. This indicates that NED funding tends to be awarded to countries that are already receiving U.S. foreign aid and may be guided by many of the same motivations that guide traditional U.S. foreign aid.

Recipients of NED grants have a lower average level of democracy (4.446) than non-recipients (5.480). The difference is statistically significant. This indicates that the "democratic need" of a country may be a factor in NED grant awards. Countries that are in greater need of assistance in developing democracy tend to get more grants. The same appears to be true regarding economic freedom. The average level of economic freedom in recipient countries (3.445) is lower (remember, a higher economic freedom rating means that a country has less economic freedom) than the average level in non-recipient countries (2.896). The difference is also statistically significant. This indicates that economic freedom may be a factor in NED grant decisions – the more "needy" countries in terms of economic freedom are more likely to receive NED grants.

Using information from the variables in which significant differences have been found, a rough profile of NED grant recipients and non-recipients can be sketched.

The average recipient country is:

- Less open to U.S. trade.
- Far less economically developed.
- Much higher population.
- Receives much more U.S. foreign aid.
- Less democratic.
- Less economic freedom.

The average non-recipient country is:

- More open to U.S. trade.
- Much more economically developed.
- Much lower population.
- Receives much less U.S. foreign aid.
- More democratic.
- More economic freedom.

Figure 4.1: General Profile of Recipients and Non-Recipients of NED Grants, 1990-1999

Figure 4.1 contains the characteristics of each. The average recipient country is much poorer and has a much larger population than the average non-recipient country. It is less open to trade with the U.S., but receives much more U.S. foreign aid. The average recipient has less political and economic freedom than a non-recipient.

REGRESSION RESULTS

Table 4.2 shows the results for the first regression model. Logit regression is used to estimate the model because the dependent variable – NED grant recipient – is dichotomous (coded "1" if any group within the given country received NED grant money that year and "0" if no groups within the given country received NED grant money that year). The independent variables-of-interest are a country's level of democracy and a country's level of economic freedom. The remaining variables are included to control for the traditional motivations behind U.S. foreign aid. The model includes observations for these variables from 1994-1999, since data for the economic freedom variable are only available for these years.

As shown in Table 4.2, the impact of these variables on a country's chances of getting an NED grant is the following:

- U.S. Military Presence: negatively related to receiving an NED grant and not significant.
    - The higher the number of U.S. military personnel that are stationed in a country, the lower the likelihood that the country will receive an NED grant.
- Openness to U.S. Trade: negatively related to receiving an NED grant and significant.
    - The more open a country is to U.S. trade, the lower the likelihood that the country will receive an NED grant.
- Level of Economic Development: negatively related to receiving an NED grant and significant.
    - The higher the level of economic development in a country, the lower the likelihood that the country will receive an NED grant.

Table 4.2: Logit Regression Estimates of the Determinants of NED Grant Recipients, 1994-1999

Variable	Coefficient (Standard Error)
Constant	0.175
	(0.688)
U.S. Military Presence	-0.000
	(0.000)
Openness to U.S. Trade	-3.076**
	(0.726)
Level of Economic Development	-0.000**
	(0.000)
U.S. Alliance Partner	1.028**
	(0.252)
Population	6.25E-11*
	(6.30E-10)
Size of Economy	4.18E-13
	(3.60E-13)
Level of U.S. Foreign Aid	2.70E-06**
	(7.50E-07)
Level of Democracy	-0.048*
	(0.029)
Level of Economic Freedom	0.169
	(0.182)
N	787
Pseudo R-Squared	0.267
Log Likelihood	-397.3

*p<.10, **p<.01

- U.S. Alliance Partner: positively related to receiving an NED grant and significant.
  - A country that is a U.S. alliance partner has a higher likelihood of receiving an NED grant.
- Population: positively related to receiving an NED grant and significant.
  - The higher the population of a country, the higher the likelihood that the country will receive an NED grant.
- Size of Economy: positively related to receiving an NED grant and not significant.
  - The larger a country's economy is, the higher the likelihood that the country will receive an NED grant.
- Level of U.S. Foreign Aid: positively related to receiving an NED grant and significant.
  - The more U.S. foreign aid that a country receives, the higher the likelihood that the country will receive an NED grant.
- Level of Democracy: negatively related to receiving an NED grant and significant.
  - The more democratic that a country is, the lower the likelihood that the country will receive an NED grant.
- Level of Economic Freedom: positively related to receiving an NED grant and not significant.
  - The more free a country is economically, the lower the likelihood that the country will receive an NED grant.

Table 4.3 shows the results for the second regression model. Since this model has the same dichotomous dependent variable as the first model, logit regression is also used. This model excludes the economic freedom variable (whose data are only available from 1994-1999) in order to utilize data from the entire decade (1990-1999). With the economic freedom variable excluded, only the level of democracy variable is left as an independent variable-of-interest.

The exclusion of the economic freedom variable and the inclusion of a full decade of data does not change the impact and significance of six variables – U.S. military presence, openness to U.S. trade, level of economic development, U.S. alliance partner, population, and size of economy. Two variables – level of U.S. foreign aid and level of democracy – do experience a change. The U.S. foreign aid variable remains positively related to a country receiving an NED grant, but it is no longer significant in the second

Table 4.3: Logit Regression Estimates of the Determinants of NED Grant Recipients, 1990-1999

Variable	Coefficient (Standard Error)
Constant	0.216*
	(0.104)
U.S. Military Presence	-0.000
	(0.000)
Openness to U.S. Trade	-3.265**
	(0.604)
Level of Economic Development	-0.000**
	(0.000)
U.S. Alliance Partner	1.355**
	(0.183)
Population	1.47E-09**
	(5.56E-10)
Size of Economy	1.03E-13
	(2.24E-13)
Level of U.S. Foreign Aid	1.49E-09
	(9.29E-10)
Level of Democracy	-0.000
	(0.019)
N	1,460
Pseudo R-Squared	0.212
Log Likelihood	-784.5

*p<.05, **p<.01

model. In the first model, the democracy variable is negatively related to a country receiving an NED grant, and the variable is significant. In the second model, it is still negatively related, but is not significant.

Table 4.4 shows the results for the third regression model. In this model, the dependent variable – amount of NED grants – is the total amount of NED funding received by groups that are active within a given country during a given year. Since a substantial number of countries received no NED grant money in each year (giving a substantial number of observations for the dependent variable a value at the lower limit of "0"), Tobit regression will be used to estimate the model. The independent variables-of-interest are a country's level of democracy and a country's level of economic freedom. The remaining variables are included to control for the traditional motivations behind U.S. foreign aid. The model includes observations for these variables from 1994-1999, since data for the economic freedom variable are only available for these years.

As shown in Table 4.4, the impact of these variables on the amount grant money awarded by NED to a country is the following:

- U.S. Military Presence: negatively related to receiving an NED grant and significant.
  - The higher the number of U.S. military personnel that are stationed in a country, the lower the amount of NED grants that the country will receive.
- Openness to U.S. Trade: negatively related to receiving an NED grant and significant.
  - The more open a country is to U.S. trade, the lower the amount of NED grants that the country will receive.
- Level of Economic Development: negatively related to receiving an NED grant and significant.
  - The higher the level of economic development in a country, the lower the amount of NED grants that the country will receive.
- U.S. Alliance Partner: positively related to receiving an NED grant and significant.
  - A country that is a U.S. alliance partner will receive a higher amount of NED grants.

Table 4.4: Tobit Regression Estimates of the Determinants of NED Grant Amounts, 1994-1999

Variable	Coefficient (Standard Error)
Constant	-298,807.3
	(204,380.5)
U.S. Military Presence	-20.645**
	(5.637)
Openness to U.S. Trade	-803,392.5**
	(232,703.4)
Level of Economic Development	-50.885**
	(8.183)
U.S. Alliance Partner	304,127.5**
	(71,044.14)
Population	0.001**
	(0.000)
Size of Economy	1.67E-07*
	(8.06E-08)
Level of U.S. Foreign Aid	-0.001**
	(0.000)
Level of Democracy	-12,291.96
	(8,584.19)
Level of Economic Freedom	116,725.4*
	(53,592.32)
N	787
Pseudo R-Squared	0.027
Log Likelihood	-5,444.4

*p<.05, **p<.01

- Population: positively related to receiving an NED grant and significant.
    - The higher the population of a country, the higher the amount of NED grants that the country will receive.
- Size of Economy: positively related to receiving an NED grant and significant.
    - The larger a country's economy is, the higher the amount of NED grants that the country will receive.
- Level of U.S. Foreign Aid: negatively related to receiving an NED grant and significant.
    - The more U.S. foreign aid that a country receives, the lower the amount of NED grants that the country will receive.
- Level of Democracy: negatively related to receiving an NED grant and not significant.
    - The more democratic that a country is, the lower the amount of NED grants that the country will receive.
- Level of Economic Freedom: positively related to receiving an NED grant and significant.
    - The more free a country is economically, the lower the amount of NED grants that the country will receive.

Table 4.5 shows the results for the fourth regression model. Since this model has the same censored dependent variable as the previous model, Tobit regression is also used. This model excludes the economic freedom variable (whose data are only available from 1994-1999) in order to utilize data from the entire decade (1990-1999). With the economic freedom variable excluded, only the level of democracy variable is left as an independent variable-of-interest. The exclusion of the economic freedom variable and the inclusion of a full decade of data only changes the impact and significance of one variable – size of economy. The variable is still positively related to NED funding, but is no longer significant.

DISCUSSION OF RESULTS

Based on the difference of means test results, NED funds projects in countries that have a large, poor population that has little political or economic freedom. This indicates

Table 4.5: Tobit Regression Estimates of the Determinants of NED Grant Amounts, 1990-1999

Variable	Coefficient (Standard Error)
Constant	-35,472.26
	(36,429.51)
U.S. Military Presence	-9.324**
	(3.390)
Openness to U.S. Trade	-1,057,048.0**
	(214,288.9)
Level of Economic Development	-58.742**
	(5.515)
U.S. Alliance Partner	411,240.5**
	(57,701.44)
Population	0.000**
	(0.000)
Size of Economy	9.10E-08
	(5.65E-08)
Level of U.S. Foreign Aid	-0.000*
	(0.000)
Level of Democracy	-2,392.35
	(6,567.47)
N	1,460
Pseudo R-Squared	0.021
Log Likelihood	-9,528.4

*p<.05, **p<.01

that NED does not base its grant decisions on promoting selfish U.S. interests, but, instead, bases its decisions more on a country's need for assistance. The only selfish motivation suggested by the difference of means test results can be found in the explanation for why recipients of NED grants are less open to U.S. trade than non-recipients. The literature on U.S. foreign aid allocations (Cingranelli and Pasquarello 1995; McKinlay and Little 1979; Meernik, et al. 1998; Poe and Meernik 1995; Poe et al. 1994; and Wittkopf 1972) would contend that the desire to open these countries' markets to U.S. companies may help explain this result.

Table 4.6 summarizes the regression results for all four models. Openness to U.S. trade, level of economic development, U.S. alliance partner, and population are significant in all four regression models. The two independent variables-of-interest – level of democracy and level of economic freedom – have the same impact on the dependent variables (remember, due to the coding of data for each variable, a negative impact for level of democracy and a positive impact for level of economic freedom indicate that a greater amount of each means fewer NED grants and less NED grant money). However, level of democracy is significant in the first model and not significant in the second, third, and fourth models. Level of economic freedom (included in only the first and third models due to data limitations) is not significant in the first model, but is significant in the third model. The inconsistent significance of these two variables across the regression models casts doubt on their importance to NED grant making decisions. At the very least, democracy and economic freedom do not have the same level of importance as some of the other variables.

Table 4.6: Comparison of Regression Model Results

	Recipient/Non-Recipient				How Much Awarded			
	Model 1		Model 2		Model 3		Model 4	
Variable	Sign	Sig.	Sign	Sig.	Sign	Sig.	Sign	Sig.
U.S. Military Presence	-	No	-	No	-	Yes	-	Yes
Openness to U.S. Trade	-	Yes	-	Yes	-	Yes	-	Yes
Level of Economic Development	-	Yes	-	Yes	-	Yes	-	Yes
U.S. Alliance Partner	+	Yes	+	Yes	+	Yes	+	Yes
Population	+	Yes	+	Yes	+	Yes	+	Yes
Size of Economy	+	No	+	No	+	Yes	+	No
Level of U.S. Foreign Aid	+	Yes	+	No	-	Yes	-	Yes
Level of Democracy	-	Yes	+	No	-	No	-	No
Level of Economic Freedom	+	No	n/a	n/a	+	Yes	n/a	n/a

CONCLUSION

The regression results are consistent with the difference of means test results in showing that poorer countries with larger populations are more likely to receive NED grants and more likely to receive more overall NED funding. This indicates that a country's need for assistance at least partly motivates NED funding decisions. However, selfish motivations may also exist. As seen in the difference of means test results, the regression results show that more NED grants and funding tend to be awarded to countries who are less open to trade with the U.S. The regression results also show that NED awards more grants and funding to countries that are U.S. alliance partners. This indicates that NED may be using its grant making program to help open foreign markets to U.S. companies that were previously closed and to help promote the U.S.'s geopolitical and economic interests by financially supporting its military and economic partners.

CHAPTER 5
A QUANTITATIVE ASSESSMENT OF THE IMPACT OF NATIONAL ENDOWMENT FOR DEMOCRACY GRANTS, 1990-1999

INTRODUCTION

In the post-Cold War world, promoting democracy and economic freedom has become a cornerstone of U.S. foreign policy, and foreign aid has become the instrument of choice for its promotion by the U.S. Even though billions of dollars have been spent to promote democracy and free markets through U.S. foreign aid, little is known about the impact that this money has had. Even those who adamantly advocate the practice are unsure whether it has a positive impact. Much of the evidence about the impact of promoting democracy and economic freedom through foreign aid is based on anecdotal evidence, not sophisticated analysis of objective aggregate data gathered over a substantial period of time.

This chapter will provide an objective and thorough assessment of the impact of promoting democracy and economic freedom by analyzing the grant activities of the National Endowment for Democracy (NED) – the most visible and most controversial U.S. organization devoted to promoting democracy and free markets – during the 1990s. A review of the literature on NED reveals that this chapter will be the first attempt to use aggregate data to gauge the impact of NED's grant making program. It is hoped that this analysis will help policy makers and the American people assess the value of promoting democracy and economic freedom through foreign aid and help policy makers gain a better understanding of this popular foreign policy tool. By better understanding the use

of foreign aid to promote democracy and economic freedom, adjustments can be made to help improve its quality and effectiveness.

BACKGROUND

As discussed in Chapter 1, NED's critics claim that they can cite many failures and shortcomings of the organization and are unable to cite any of NED's successes (Conry 1994, 17; Shipler 1 June 1986, A1). These critics dismiss almost all of the successes claimed by NED and its supporters as being exaggerated and impossible to prove (Carothers 1994, 136). Many of NED's critics doubt that any organization can really promote democracy and economic freedom in another country, much less change the entire political and economic landscape of the world ("Reagan's 'Foreign Aid' for Democracy" 1983, 54).

Therefore, when NED takes credit for helping to bring about systemic change in world affairs (for example, the end of the Cold War and the rise of democracy in Eastern Europe), NED's critics are quick to protest. They are doubtful that any single organization can have an impact on these types of earth-shaking, macro-level events. Without some objective proof of NED's effectiveness in promoting democracy and economic freedom, NED's critics will remain steadfast in their opposition to the organization and continue to worry that taxpayer dollars are being wasted or used counterproductively (Sims 1990, 4).

NED's supporters claim that the organization has had many successes and has been a profitable investment by the U.S. government (Diamond 1992, 41; Gergen 1991, 68). They say that NED's track record has conclusively shown that the organization can

effectively promote democracy and economic freedom in other countries (Muravchik 1992, 142). NED's supporters claim that the organization played an important role in helping the third-wave of democracy sweep the world through its involvement in breaking-up the Warsaw Pact, assisting the triumph of freedom in Chile and Haiti, and supporting democrats in the Soviet Union and China (Carothers 1994, 123-124; Gergen 1991, 68; Progressive Policy Institute 1991, http://www.dlcppi.org/texts/foreign/amerfp.txt; Weigel 1993, 11). They claim that NED's involvement in promoting the global resurgence of democracy and economic freedom justifies not only the continued existence of the organization, but a dramatic increase in its funding by the U.S. government (Diamond 1992, 41; Gergen 1991, 68).

As this shows, NED's impact on political and economic freedom in countries throughout the world is hotly debated. Unfortunately, the literature on NED does not contain a thorough analysis of the organization's effectiveness. This chapter will attempt to contribute such an analysis to the literature. The impact of NED's main tool for promoting democracy and economic freedom – its grant making program – will be analyzed. By providing some insight into NED's effectiveness, the analysis will help policy makers gain a clearer picture of NED and help NED gain a clearer picture of itself. It is hoped that this analysis will provide objective evidence that policy makers can use to make better-informed decisions regarding NED and help the organization to better understand its own impact on the world. The results of the analysis will also attempt to answer the broader question of whether democracy can be effectively promoted through the use of foreign aid.

RESEARCH DESIGN

The effectiveness of NED's grant making program will be analyzed in two stages. The first stage will have two parts. The first part will compare countries that experienced an increase in their level of democracy during the 1990s to countries that experienced no increase or a decline in their level of democracy. The means of these two groups in regard to how much NED funding that they received and in regard to a series of control variables will be compared. The included variables will be explained at length below. The second part will be similar to the first part, except that countries will be grouped according to their change in economic freedom from 1994-1999 (the only data available for the economic freedom variable), instead of their change in democracy during the entire 1990s. Difference of means tests will be performed on these variables to provide preliminary evidence about how countries that experienced gains in democracy and economic freedom during the 1990s compare to countries that did not experience gains.

The second stage of the analysis will use regression techniques to further analyze these variables. The regression analysis will estimate two models. The first model looks at the impact of NED grant money and other control variables on changes in the level of democracy found in all countries throughout the 1990s. The second model looks at the impact of the same variables on changes in the level of economic freedom found in all countries from 1994-1999.

Even though NED's activities are primarily aimed at unindustrialized, third world countries, the organization is not restricted from making grants to industrialized, first world countries. Groups from any country are eligible to apply for and receive NED

funding. Even though NED rarely funds groups that are active in industrialized countries, instances of such assistance exist. For example, as discussed in Chapter 2, NED awarded grant money to opposition groups in France during the mid-1980s. Also, in 1990, an organization representing activist labor unions in Portugal received $270,938 from NED to help it mobilize workers and promote their rights in the country. Since assistance to industrialized countries is not restricted by NED and such assistance has been given in the past, the following analysis will focus on the results of estimating models with data from all countries. In fact, estimating both models with and without data from industrialized countries makes little difference in the coefficients and significance of variables in each model. Even though the analysis that follows will focus on data from all countries, estimates for models with data from only unindustrialized countries will be included to show that little, if any, difference exists.

Appendix E contains tables that show the observations that will be used to estimate each of the models. Unfortunately, data for every country and every year is not available. The countries that have missing data tend be third world countries that are either in chaos and/or isolated from the rest of the world. Since wealthier countries are more likely to have sufficient data to be included in the analysis, the possibility exists that the analysis' results could be skewed toward these wealthier countries and might not provide accurate representation to poorer countries. As discussed in the preceding paragraph, all of the models were estimated with and without data from industrialized countries and, in almost every instance, there was no difference in the coefficients and significance of the variables. This suggests that the results are not skewed toward

wealthier countries to such an extent that they render any conclusions unreliable. In Appendix F, correlation tables are provided that allow for further inspection of the data used in this chapter.

In the first model, the dependent variable will be **Change in Level of Democracy**. As discussed in Chapter 4, the Polity 3d and 4 data-sets operationalize democracy through the following factors: participation, competitiveness, openness, and constraints on the executive. These factors are combined into one number that captures the level of democracy found in a country in a given year. The variable's value ranges from 1 (low democracy) to 10 (high democracy). The change in level of democracy variable that is utilized as the dependent variable in this model is the result when a country's earliest level of democracy during the 1990s is subtracted from its latest level of democracy in the decade. For example, a country with a level of democracy of "3" in 1990 and a level of democracy of "7" in 1999 would have a change in level of democracy of "4." A positive value indicates that the country's level of democracy has increased, while a negative value indicates that the country's level of democracy has decreased.

In the second model, the dependent variable will be **Change in Level of Economic Freedom.** As discussed in Chapter 4, the level of economic freedom variable measures the level of governmental interference in the economic life of a given country. The economic freedom variable is found in the annual *Index of Economic Freedom* compiled by The Heritage Foundation and *The Wall Street Journal*. It focuses on ten economic factors - trade policy, taxation, general government intervention, monetary policy, capital flows/foreign investment, banking, wage/price controls, property rights,

regulation, and the black market. The average of these ten factors represents the level of total economic freedom experienced by the country in a given year. The variable's value ranges from 1.00 to 5.00. Countries are categorized as "Free," "Mostly Free," "Mostly Unfree," and "Repressed" based on their economic freedom score. The values associated with each categorization are the following:

- 1.00 and 1.99 – Free
- 2.00 and 2.99 – Mostly Free
- 3.00 and 3.99 – Mostly Unfree
- 4.00 and 5.00 – Repressed

The change in level of economic freedom variable that is utilized as the dependent variable in this model is the result when a country's earliest level of economic freedom from 1994-1999 is subtracted from its latest level of economic freedom in the decade. For example, a country with a level of economic freedom of "3.55" in 1994 and a level of economic freedom of "2.20" in 1999 would have a change in level of economic freedom of "-1.35." A negative value indicates that the country has increased its level of economic freedom, and a positive value indicates that the country's level of economic freedom has decreased.

At first glance, tobit regression may appear to be the appropriate method to estimate both models because both dependent variables appear to be censored – they have a lower limit and an upper limit. As discussed in Chapter 4, a dependent variable is considered to be censored when the variable's data cannot have a value above a certain higher limit or cannot have a value below a certain lower limit, and a substantial number of observations are clustered at the lower or upper limit (Breen 1996, 12; Frone 1997, 3; McDonald and Moffitt 1980, 318 and 319; and Tobin 1958, 24 and 25).

Change in level of democracy cannot have a value above 10 and cannot have a value below –10. A country would have the highest possible value for the variable (10) if it had the lowest level of democracy (0) in 1990 and has the highest level of democracy (10) in 1999. A country would have the lowest possible value for the variable (-10) if it had the highest level of democracy (10) in 1990 and had the lowest level of democracy (0) in 1999. Similarly, change in level of economic freedom cannot have a value above 4 and cannot have a value below –4. However, since neither variable has a single observation at its higher limit or lower limit, neither of these dependent variables fit the definition of a censored variable because a substantial number of observations are not clustered at the upper and/or lower limits. Since the dependent variable in each model is not censored, ordinary-least-squares (OLS) regression can be used to estimate both models.

FACTORS ASSOCIATED WITH DEMOCRACY AND ECONOMIC FREEDOM

In order to accurately analyze the impact that NED grant money had on democracy and economic freedom during the 1990s, variables are included that control for factors that are commonly associated with change in democracy and economic freedom. These factors are modernization/wealth and external influences (discussed in Andrain 1984; Arat 1988; Burkhart and Lewis-Beck 1994; Dix 1994; Helliwell 1994; Muller and Seligson 1994; Olson 1993; Weiner 1987). Controlling for these structural influences on democracy and economic freedom will help the true impact of NED grant money to be found.

Democratization scholars have noted that the spread of democracy is a recent occurrence (Fukuyama 1992 and Huntington 1991). This observation seems to confirm Seymour Martin Lipset's seminal conclusion (discussed in Chapter 1) that modernization and the wealth that results from modernization makes democracy more likely. In Lipset's words, "The more well-to-do a nation, the greater the chance that it will sustain democracy" (Lipset 1959, 75). Theoretically, modernization and wealth are linked to democracy because other democracy-friendly-factors – literacy, education, urbanization, and the development of a mass media – are consistently found in modern, wealthy countries (Lipset 1959 and 1994; Dahl 1971). However, while Lipset's conclusion about modernization and wealth is almost universally accepted as true, it is not always accurate. South Korea, Taiwan, Singapore, and some Latin American countries have become modernized and wealthy, but not democratic (discussed in O'Donnell 1973).

Democratization scholars also agree that international politics and economics have an impact on whether democracy and economic freedom evolve within a country. In comparison with the first two factors, the types of external factors and their impact are much more varied and complex, making this set of factors difficult to grasp. Researchers do agree that smaller, poorer countries of the third world are the most susceptible to external factors. This susceptibility leaves them vulnerable to the influence of wealthier first world countries.

However, researchers differ on whether this vulnerability bodes well for democracy in poor countries. As discussed in Chapter 1, modernization theorists (for example, Rostow 1960) see first world influence as positive for democracy because it

brings wealth into poor countries, and, as discussed above, wealth and democracy tend to be positively related. Dependency theorists (for example, Caporaso 1978) disagree, claiming that first world influence has historically caused great economic and social inequality in poor countries. This economic and social inequality makes democracy less likely to evolve.

CONTROL VARIABLES

Change in Level of Economic Development. This variable helps control for the impact that a change in a country's standard of living – an indicator of modernization and wealth – can have on its political and economic freedom. A country's per-capita gross domestic product (GDP) in 1995 dollars at the beginning of each time period will be compared to its per-capita GDP at the end of the decade to arrive at the value of this variable. For example, if a country's level of economic development in 1990 was 264.25, and its level of economic development in 1999 was 292.42. Since the country's level of economic development increased by 10.7% in the 1990s, its change in level of economic development value is 0.107. The source for this variable will be various editions of the IMF's *International Financial Statistics Yearbook*.

Change in Size of Economy. This variable helps control for how a change in the size of a country's economy – another indicator of modernization/wealth – impacts the level of political and economic freedom found in the country. A country's GDP in 1995 dollars at the beginning of each time period will be compared to its GDP at the end of the decade. For example, if a country's GDP was $6.86 billion in 1990 and was $9.22 billion in 1999. This represents a 34.4% increase in GDP during the decade. Therefore, the

country's change in size of economy value is 0.344. The data used for this variable comes from various editions of the IMF's *International Financial Statistics Yearbook.*

Change in Population. This variable helps control for the impact that a change in a country's population can have on its political and economic freedom. Population growth has a fundamental impact on the level of economic prosperity and the standard of living that evolves within a country. A country's population at the beginning of each time period will be compared to its population at the end of the decade. For example, a country had a population of 7,199,838 in 1990 and a population of 7,729,131 in 1999. The country's population increased by 7.3% during the 1990s. This gives it a 0.073 change in population. The population data used for this variable comes from various editions of the IMF's *International Financial Statistics Yearbook.*

Change in Openness to U.S. Trade. This variable helps control for the impact that an increase or decrease in trade with the U.S. (a powerful, external force) can have on a country's political and economic freedom. A country's openness to U.S. Trade is measured by dividing the total amount of bilateral trade between the country and the U.S. by the country's GDP in 1995 dollars. Change in a country's openness to U.S. trade will be measured by comparing its openness at the beginning and end of the time period involved (1990-1999 for the first model and 1994-1999 for the second model). For example, a country's openness to U.S. trade for 1990 was 0.013, and its openness in 1999 was 0.029. The country's openness to U.S. trade increased by 123.1% during the decade. This gives it a value of 1.231 for the change in openness to U.S. trade variable. The data for this variable will come from various editions of the International Monetary Fund's

(IMF) *Direction of Trade Statistics Yearbook* and *International Financial Statistics Yearbook*.

Change in Level of U.S. Foreign Aid. This variable helps control for the impact that a change in the amount of U.S. foreign aid that a country receives (another powerful, external factor) has on the level of political and economic freedom found in the country. The amount of foreign aid received by a country at the beginning of each time period will be compared to the amount of foreign aid received by the country at the end of the decade. For example, a country received $27.68 million in foreign aid during 1990 and received $24.98 million in 1999. The country's level of U.S. foreign aid decreased by 9.8% during the 1990s. This gives it a -0.098 level of foreign aid value. Data on U.S. foreign aid will come from the Organization for Economic Cooperation and Development's (OECD) Development Assistance Committee (DAC).

INDEPENDENT VARIABLE-OF-INTEREST

Total Amount of NED Grant Money. This is the total amount of NED funding received by groups within the given country during the time period under study – 1990-1999 for the first model and 1994-1999 for the second. The sign and significance of this variable will indicate whether NED's grant making program is having a positive impact on political and economic freedom around the world and whether the impact is significant. This data is available from NED's Democracy Projects Database. The database is available on the internet at <http://www.ned.org/database/projects.asp>.

DIFFERENCE OF MEANS TEST RESULTS

As shown in Table 5.1, the average country that experienced an increase in its level of democracy during the 1990s had an increase in its openness to U.S. trade of 1.363, in its level of economic development of 0.559, and in its size of economy of 0.551 during the decade. The average country that experienced no increase or a decline in their level of democracy had larger increases in all three variables (1.606, 0.664, and 1.097, respectively). The opposite is true is of population change. Countries that experienced an increase in democracy, on average, had a larger increase in population than countries that experienced no increase or a decline in democracy. The difference in the means of all four variables is not significant.

The only control variable that had a significant difference is change in level of U.S. foreign aid. Countries that experienced an increase in democracy had a much larger average increase in their level of U.S. foreign aid that they received during the 1990s (196.2) than countries that experienced no increase or a decline in democracy (7.2). This indicates that U.S. foreign aid may be assisting these countries in their quest for greater political freedom.

The average country that experienced an increase in its level of democracy received $2.1 million of NED grant money during the 1990s. Countries that experienced no increase or a decline in their level of democracy received, on average, $1.9 million from NED – a slightly less amount. The difference is not significant. This indicates that

Table 5.1: Difference of Means Test Results for Countries that Experienced either an Increase or No Increase/Decline in Their Level of Democracy, 1990-1999

Variable	Increase	No Increase/Decline	T-Value
Change in Level of Economic Development	0.559	0.664	0.161
Change in Size of Economy	0.551	1.097	0.248
Population Change	0.319	0.164	-0.877
Change in Openness to U.S. Trade	1.363	1.606	0.251
Change in Level of U.S. Foreign Aid	196.2	7.2	-1.454*
Total Amount of NED Grant Money	$2,052,554	$1,899,169	-0.203

*p<.10

Table 5.2: Difference of Means Test Results for Countries that Experienced either an Increase or No Increase/Decline in Their Level of Economic Freedom, 1994-1999

Variable	Increase	No Increase/Decline	T-Value
Change in Level of Economic Development	0.125	0.632	0.943
Change in Size of Economy	0.208	0.157	-1.164
Population Change	0.072	0.183	1.102
Change in Openness to U.S. Trade	0.419	0.864	1.418*
Change in Level of U.S. Foreign Aid	1,613	3,837	0.748
Total Amount of NED Grant Money	$984,697	$812,362	-0.482

*p<.10

our independent variable-of-interest – total NED grant money – is not having a strong, positive impact on democracy.

As shown in Table 5.2, the average country that experienced an improvement in its level of economic freedom from 1994-1999 had an increase in its openness to U.S. trade of 0.419, in its level of economic development of 0.125, in its population of 0.072, and in its level of U.S. foreign aid of 1,613, during the time-period. The average country that experienced no improvement or a decline in their level of economic freedom had larger increases in all four variables (0.864, 0.632, 0.183, and 3,837, respectively). Among these variables, only the difference in openness to U.S. trade variable is significant. On average, countries that improved their level of economic freedom saw the size of their economies increase by 20.8% from 1994-1999. This is a higher rate of growth than the 15.7% increase in economic size that occurred in countries that experienced no improvement in their level of economic freedom. The difference is not significant.

The average country that experienced an improvement in its level of economic freedom received $984,697 of NED grant money from 1994-1999. Countries that experienced no improvement or a decline in their level of economic freedom received, on average, $812,362 from NED. The difference is not significant. This indicates that our independent variable-of-interest is also not having a strong, positive impact on economic freedom.

Table 5.3: Ordinary Least Squares Regression Estimates of the Determinants of Change in Level of Democracy, 1990-1999

Variable	Coefficient (Standard Error) All Countries	Unindustrialized
Constant	1.223*	1.321*
	(0.238)	(0.276)
Change in Level of Economic Development	-0.070	-0.077
	(0.125)	(0.130)
Change in Size of Economy	0.034	0.039
	(0.092)	(0.096)
Population Change	-0.117	-0.146
	(0.298)	(0.310)
Change in Openness to U.S. Trade	0.000	0.046
	(0.031)	(0.062)
Change in Level of U.S. Foreign Aid	0.000	0.000
	(0.000)	(0.000)
Total Amount of NED Grant Money	-6.11E-08	-7.61E-08
	(4.99E-08)	(5.28E-08)
N	125	106
R-Squared	0.019	0.034

*p<.01

REGRESSION RESULTS

Table 5.3 shows the results for the first regression model. OLS regression is used to estimate the model. The dependent variable is a country's change in its level of democracy during the 1990s. A positive coefficient for an independent variable indicates that the independent variable had a positive impact on change in level of democracy, and a negative coefficient for an independent variable indicates that the independent variable had a negative impact on change in level of democracy. The independent variable-of-interest is the total amount of NED grant money awarded to the country during the decade. The remaining variables are included to control for other commonly recognized factors that impact on a country's level of political freedom.

The independent variable-of-interest – total amount of NED grant money – is negatively related to the dependent variable and is not significant. This means that, during the 1990s, the more NED grant money that a country received, the slower the country's rate of democratization, if any, was. Among the control variables, three – change in size of economy, change in openness to U.S. trade, and change in level of U.S. foreign aid – are positively related to change in level of democracy and are not significant. Two control variables – change in level of economic development and change in population – are negatively related to change in level of democracy and are not significant.

Table 5.4 shows the results for the second regression model. OLS regression is also used to estimate the model. The dependent variable is a country's change in its level

Table 5.4: Ordinary Least Squares Regression Estimates of the Determinants of Change in Level of Economic Freedom, 1994-1999

Variable	Coefficient (Standard Error) All Countries	Unindustrialized
Constant	0.066*	0.067
	(0.029)	(0.058)
Change in Level of Economic Development	-0.481	-0.560
	(0.583)	(0.702)
Change in Size of Economy	-0.391	-0.456
	(0.475)	(0.572)
Population Change	-0.525	-0.623
	(0.477)	(0.864)
Change in Openness to U.S. Trade	-0.025*	-0.025*
	(0.012)	(0.012)
Change in Level of U.S. Foreign Aid	-1.55E-06	-1.50E-06
	(1.31E-06)	(1.39E-06)
Total Amount of NED Grant Money	7.15E-09	7.62E-09
	(1.19E-08)	(1.31E-08)
N	146	121
R-Squared	0.125	0.052

*p<.01

of economic freedom from 1994-1999. A negative coefficient for an independent variable indicates that the independent variable had a positive impact on change in level of economic freedom. A positive coefficient for an independent variable indicates that the independent variable had a negative impact on change in level of economic freedom. The same independent variables used in the first model are also used in this model.

Total amount of NED grant money is positively related to the independent variable, but it is not significant. This indicates that, during the 1990s, the more NED grant money that a country received, the less positive change the country experienced in regard to economic freedom. Among the control variables, only one – change in openness to U.S. trade – was negatively related to the dependent variable and significant. In the 1990s, as countries grew more open to U.S. trade, their move toward greater economic freedom accelerated. All of the other independent variables are negatively related to change in economic freedom and are not significant.

DISCUSSION OF RESULTS

The first difference of means tests show that countries that experienced an increase in democracy in the 1990s received a much larger increase in their share of U.S. foreign aid than countries that experienced no increase. The difference is the only significant one among the variables tested. This suggests that traditional U.S. foreign aid – an external factor – has the potential to be an effective tool for promoting democracy. The difference of means tests also showed that countries that experienced an increase in democracy received slightly more NED grant money than countries that experienced no

increase in democracy. The difference is not significant. This casts doubt on the impact that NED grant money had on democracy around the world.

The second difference of means tests show that countries that experienced an increase in economic freedom during the 1990s had a smaller increase in their openness to U.S. trade than countries that experienced no increase. The difference is the only significant one among the variables tested. This indicates that U.S. trade either was not an effective tool for promoting economic freedom, or it was not strategically used for that purpose. The difference of means tests also showed that, even though the difference in NED grant money awarded to countries that increased their economic freedom and to countries that did not increase their economic freedom is larger than the difference regarding democracy, the lack of a sizable difference in NED grant money and the lack of a significant relationship casts doubt on NED's impact on economic freedom around the world.

In the first regression model, none of the independent variables are significant, and the r-squared statistic is very low (0.019). This indicates that the independent variables and the entire model have little explanatory power regarding the dependent variable – change in level of democracy. The explanatory power of the second regression model is better. One independent variable – change in openness to U.S. trade – is significant, and the r-squared statistic is higher (0.125). However, its explanatory power still appears to be weak.

NED grant money is negatively related to change in level of democracy in the first model, and positively related to change in level of economic freedom in the second

model. This means that the more NED grant money awarded to a country during the 1990s, the less progress the country made toward democracy and a free market during the decade (remember, a higher economic freedom rating means that a country has less economic freedom). However, neither relationship is significant. Since countries that received more NED grant money did not make as much progress toward political and economic freedom as countries that received less or no money, this indicates that NED funding was not a positive factor – much less a strong, positive factor – in promoting democracy and economic freedom during the 1990s.

As a further check on whether NED funding has an impact on political and economic freedom. Two additional regression models were estimated that contained the same variables as the above models. Instead of measuring the dependent variables – change in level of democracy and change in level of economic freedom – at the beginning and end of the 1990s, the models look at the impact of the independent variables on each dependent variable on a yearly basis, creating a pooled, cross-sectional time series of data. The dependent variable is lagged by one year on the independent variables. For example, the values of the independent variables in 1994 for a country will be associated with the change in democracy and economic freedom the country experiences in 1995. Tables 5.5 and 5.6 show the results for these models. They also show that NED grant money does not have a significant impact on political and economic freedom.

Table 5.5: Ordinary Least Squares Regression Estimates of the Determinants of Change in Level of Democracy (1-Year Lag), 1990-1999

Variable	Coefficient (Standard Error) All Countries	Unindustrialized
Constant	0.141*	0.145*
	(0.052)	(0.056)
Change in Level of Economic Development	-0.225	-0.211
	(0.192)	(0.190)
Change in Size of Economy	0.218	0.211
	(0.188)	(0.190)
Population Change	-1.673	-1.472
	(1.327)	(1.374)
Change in Openness to U.S. Trade	0.011	-0.408
	(0.029)	(0.245)
Change in Level of U.S. Foreign Aid	-0.000	-0.000
	(0.002)	(0.002)
Total Amount of NED Grant Money	-3.85E-08	-4.00E-08
	(1.02E-07)	(1.08E-07)
N	1,139	952
R-Squared	0.018	0.046

*p<.01

Table 5.6: Ordinary Least Squares Regression Estimates of the Determinants of Change in Level of Economic Freedom (1-Year Lag), 1990-1999

	Coefficient (Standard Error)	
Variable	All Countries	Unindustrialized
Constant	-0.031*	-0.029*
	(0.010)	(0.011)
Change in Level of Economic Development	-0.033	-0.030
	(0.037)	(0.037)
Change in Size of Economy	0.010	0.007
	(0.036)	(0.036)
Population Change	-0.408	-0.378
	(0.365)	(0.363)
Change in Openness to U.S. Trade	0.013	-0.003
	(0.024)	(0.025)
Change in Level of U.S. Foreign Aid	0.001	0.001
	(0.002)	(0.002)
Total Amount of NED Grant Money	1.22E-08	9.59E-09
	(1.80E-08)	(1.82E-08)
N	498	417
R-Squared	0.061	0.073

*p<.01

CONCLUSION

The difference of means test results and the regression results do not show that NED had a strong, positive impact on political and economic freedom in the world during the 1990s. The results of this analysis do not provide evidence of any "definitive" NED success during the 1990s that will help justify the organization's existence or help it argue for more funding. However, the lack of "definitive" success does not mean that democracy and economic freedom cannot be successfully promoted in other countries.

The lack of significant independent variables in all of the regression models suggests that both dependent variables are not highly reactive to outside stimuli. They appear to be strongly path dependent, requiring significant external influence to change their course. Since its birth, NED's supporters have complained that it has been woefully underfunded and could have accomplished much more with additional money. NED's supporters could argue that, with more money, the organization would have had a much more measurable impact on democracy and economic freedom during the 1990s. $25 to $35 million per year might not be enough to have a significant impact on one country, much less the entire world. NED's supporters could also argue that the types of indirect, grassroots activities that are supported by the organization often take many years to have a measurable impact. A study covering more years may show more of an impact by NED.

CHAPTER 6
THE NATIONAL ENDOWMENT FOR DEMOCRACY IN NICARAGUA, 1990-1999

INTRODUCTION

This chapter provides a case study of National Endowment for Democracy (NED) involvement in Nicaragua during the 1990s. As discussed in Chapter 2, Nicaragua is a country that NED has been very active in over the past two decades. In Nicaragua, NED has funded groups that opposed the government of the Sandinistas and was intimately involved in funding the campaign of Violetta Chamorro and the UNO during the 1989 presidential election. Throughout the 1990s, NED continued to award grants to groups that were active in Nicaragua in an attempt to help strengthen the country's commitment to democracy and to help move the country toward a free economy.

A case study of NED activity in Nicaragua will show the organization at work in a dynamic political environment that has made major strides toward democracy since 1990, but whose economy still remains stagnant and unfree. What follows is an overview of Nicaragua's recent political and economic history and an overview of the major political and economic freedom issues face by the country during the 1990s. The groups that received NED funding during the decade will be identified, and their use of NED grant money will be discussed.

POLITICAL AND ECONOMIC HISTORY

In 1838, almost two decades after gaining independence from Spain, the Republic of Nicaragua was founded. Throughout its existence, Nicaragua has constantly faced dictatorship and domestic tumult. The most infamous period of authoritarian rule and

internal strife occurred during the reign of Anastasio Somoza, which was forcibly ended in 1979 by the Sandinista National Liberation Front (discussed in Crow 1992, 763-769; Robinson 1996, 201-214; Tulchin and Walter 1991, 113-131; Walker 1997, 1-8; Walker 2000, 67-88).

The Sandinistas – led by Daniel Ortega – ruled Nicaragua through a Marxist dictatorship (discussed in Robinson 1996, 215-255; Soule 1990; Staines 1989; Tulchin and Walter 1991, 131-138; Vanden and Prevost 1993; Walker 1991; Walker 1997; Walker 2000). The specter of Marxism drew the ire of many groups within Nicaragua and caused the U.S. government to become involved in Nicaragua through its controversial support of the Contras – anti-Sandinista, paramilitary forces within Nicaragua (discussed in LeoGrande 1986; Moore 1986; Sobel 1995; Tulchin and Walter 1991, 131-138). In 1987, due to both domestic and international pressure, the Sandinistas acquiesced to a new constitution for Nicaragua that provided for a president and a national assembly to be elected at six-year-intervals. The constitution set the first elections for 1989. Despite their agreement to the constitution and their public claims that they had reformed, the Sandinistas enacted a land reform program on the eve of the election that gave them and their supporters many of the most prized properties and businesses in the country. This action destroyed any legitimacy possessed by the Sandinistas and helped lead to their defeat by the reform-minded National Opposition Union (UNO) in both the presidential and legislative elections (Dominguez and Lowenthal 1996; Walker 1997, 8-14).

As discussed in Chapter 2, NED was heavily involved in Nicaragua's 1989 elections, giving overt political assistance to opponents of the Sandinistas. Specifically, NED served as a conduit for U.S. funding to be channeled to the winning presidential candidate and her party – Violetta Chamorro and UNO. For a detailed discussion of NED involvement in Nicaragua's 1989 elections, please refer to Chapter 2.

After the elections, newly elected president Violetta Chamorro disappointed her UNO allies and the Nicaraguan voters by making compromises with the still-powerful Sandinistas. In particular, Chamorro allowed the Sandinistas to maintain control of the Nicaraguan military. Control of the military guaranteed continued Sandinista influence over the country and gave the Sandinistas the ability to forcibly take back control of the government. This arrangement guaranteed continued strife within Nicaragua, and Chamorro's compromises led to further factionalizing of UNO. Having lost many of her political allies, Chamorro found herself in need of new political friends. In an effort to gain more favor with the Sandinistas, she began to oppose almost all legitimate attempts at governmental reform (McConnell 1997, 45-60; Premo 1997, 65-80; Vickers and Spence 1992).

In the 1995 presidential election, Chamorro was constitutionally prohibited from seeking a second term. Sandinista leader and former dictator Daniel Ortega attempted a political comeback in the election, portraying himself as a moderate who had renounced his Marxist, authoritarian past. Ortega's chief opponent was the popular, conservative mayor of Managua – Arnoldo Aleman. Aleman focused his campaign on the need for economic reform, the need for ending Sandinista influence, and the need for reforming

the military. He defeated Ortega in a landslide (McCoy and McConnell 1997, Patterson 1997, and Walker 1997, 305-311).

Aleman interpreted his landslide victory as a mandate from the people to challenge the Sandinista establishment that had dominated the country for almost two decades. To do so, he instituted sweeping land reforms and economic reforms that were aimed at undercutting the foundation of the Sandinista's power. Ironically, despite his claim of a mandate from the people, Aleman's reforms elicited massive protests from both Sandinistas and non-Sandinistas ("Nicaragua. Land Reform Reformed," 33).

To the surprise of many, Aleman's reforms actually made the Sandinistas more cooperative in reforming Nicaragua. They did not object to Aleman's future governmental reforms and even participated constructively in the discussions surrounding them. This new spirit of cooperation was deepened in 1998 when the country was devastated by Hurricane Mitch. Facing the need to rebuild the ravaged country, Aleman and Sandinista leader Ortega joined political forces to save lives and get the country moving again. This new-found spirit of cooperation could be the key to a prosperous future for Nicaragua ("Nicaragua: A Revolution's Aging Children," 52).

MAJOR POLITICAL AND ECONOMIC FREEDOM ISSUES OF THE 1990S

A review of the literature on Nicaragua in the 1990s reveals that certain issues – civilian-military relations, the rule of law, the judiciary, the media, and labor unions – were commonly considered to be fundamental to the future of Nicaragua's political and economic freedom. These issues are discussed here in order to give the reader a grasp of what outside observers and Nicaragua's leaders/citizens saw as the pivotal issues that

would determine whether democracy and economic freedom would make progress in the country during the decade. Later on, when NED-funded activities in Nicaragua are discussed, we will be able to see whether any of NED's activities were aimed at having a positive impact on these fundamental issues.

Civilian-Military Relations

The lack of civilian control of the military has been a major contributor to Nicaragua's long history of internal strife. In order to end this internal strife and provide a peaceful environment in which a prosperous democracy and a free economy can exist, the military must be fully brought under civilian control. This fundamental reform must be accomplished before Nicaragua can have a stable future.

As discussed above, President Chamorro campaigned in 1989 as a reformer, but actually lessened civilian control of the military. In addition to allowing continued Sandinista control of the military, Chamorro, in 1994, spearheaded the passage of a law that ended all civilian oversight of the military and allowed the military to exist free from taxation on its vast holdings. This made the Nicaraguan military accountable only to itself. Policies such as this caused Chamorro's legitimacy with the Nicaraguan people to dwindle. Sensing this, Chamorro's government back-peddled on its support for the military a year later. However, it did not lessen the military's autonomy – it reduced the number of military personnel from 90,000 to 15,000. This back-peddling was done out of political necessity and was not opposed by the Sandinistas or the military because they preferred losing military personnel over losing the military's autonomy (Premo 1997, 65-80).

When he took office in 1996, President Aleman made reforming the military one of his top priorities. Early in his presidency, he passed a new law that placed the military back under civilian control. This new level of civilian control represented the highest level of civilian control in the country's history. Even so, the military remains a powerful force in Nicaragua and still has the ability – due to its vast property ownership and financial means – to impact the government and society (Nicaraguan Foundation for Democracy and Development, <http://www.nfdd.org>).

The Rule of Law

Particularly in rural areas, the rule of law in Nicaragua is not guaranteed (discussed in Armony 1997, 203-218). The most disturbing example of an inadequate rule of law is the more than twenty paramilitary groups – comprised of former military soldiers and former Contra fighters – that terrorized rural dwellers in the northern part of Nicaragua throughout the 1990s. The groups were a result of governmental decisions regarding the military and the Contras.

In 1994, when the government reduced the number of military personnel from 90,000 to 15,000, it did little to help the 75,000 former military personnel transist back into civil society. Unfortunately, not enough jobs existed to support this new influx of job seekers. Unable to find employment and unable to support themselves financially, some turned to crime. In 1990, in order to finally disband the Contras and bring peace to Nicaragua, the government promised land grants and credits toward the purchase of land to all former Contras. Through this promise, the government hoped to end any animosity that existed between the former Contras and the government. However, the government

failed to deliver on its promises – it stopped making land grants because they were not politically popular and stopped redeeming land credits because they could not be afforded. Since the government failed to deliver on its promises, all of the former Contras were not able to successfully assimilate into society and became angry at the government. Many turned to crime as a way to support themselves and as a way to express their outrage.

The Judiciary

Even though Nicaragua's constitution makes the country's judiciary structurally independent, it has been repeatedly swayed by political influence and compromised by corruption. Court dockets are backlogged, causing trials to be delayed. In most cases, the delays result in the accused being detained longer than is usually deemed acceptable in a democracy. Making the situation worse are the poor conditions of Nicaragua's prisons and the often-arbitrary nature of police arrests. The judiciary must also deal with confessions forced from detainees by police. Much discussion over reforming the judiciary has taken place within Nicaragua's Supreme Court and National Assembly, but little concrete reform has been initiated (McConnell 1997, 47-48 and 55-56).

The Media

Shortly before turning over power to UNO in 1990, the Sandinistas moved to cement its power outside of the governmental apparatus by privatizing the nation's public radio network – the dominant source of information for Nicaraguans. The new private owners of the network were either Sandinistas or pro-Sandinista. Control of these privatized radio stations allowed the Sandinistas to get their message across to

Nicaraguans and to engage in informational warfare against their political foes. The print media is much more diverse. While the Sandinistas do have a strong presence in the print media, other groups also express their views through Nicaragua's newspapers and magazines.

The diversity found in print media suffered a severe blow in 1990 when the government passed a law requiring all journalists to have either a bachelor's degree in journalism or five years of experience in journalism in order to report on the government. The new law disproportionately impacted on upstart newspapers and magazines that had an anti-establishment message. These publications lacked the money to hire reporters with the required education, and the publications had not been in existence long enough to have reporters who met the five-year experience requirement. Opponents of the law claim that it is an unacceptable restriction on freedom of expression and freedom of the press (Dominguez and Lowenthal 1996; Norsworthy 1997, 282-292).

Labor Unions

In the 1990s, labor unions controlled by the Sandinistas had full legal rights, while non-Sandinista unions had no guaranteed legal rights. For non-Sandinista unions, laws are applied arbitrarily, depending upon the political and economic stakes involved. The lack of equal treatment for labor unions means that, frequently, Nicaraguans who have been harmed by labor violations or face unfair work environments can find no remedy to their situation. The preferential treatment afforded Sandinista unions has its roots in the Sandinista's historic use of labor unions as instruments to advance their interests. Before taking power in 1979, Nicaragua's major unions were used by the

Sandinistas to influence the government's economic decisions and to harass the political and economic establishment. Through their involvement in these unions, the Sandinistas gained control of almost forty privatized (formerly state-controlled) enterprises (Enriquez 1991; Jonakin 1997, 97-111; Stahler-Sholk 1995).

NED ACTIVITY IN NICARAGUA DURING THE 1990S

The Polity data-sets (discussed in Chapters 4 and 5) operationalize democracy through the following factors: participation, competitiveness, openness, and constraints on the executive. These factors are combined into one number that captures the level of democracy found in the country in a given year. The variable's value ranges from 1 (low democracy) to 10 (high democracy). Table 6.1 shows that, according to the Polity data-sets, Nicaragua began the 1990s with a level of democracy of 6. In 1995, Nicaragua's level of democracy increased to an 8, where it remained through the end of the decade. Nicaragua's increase in democracy from a 6 to an 8 in the middle of the decade and its retention of the increase throughout the rest of the 1990s shows that political freedom made strong, sustainable progress during the decade.

The economic freedom ratings published by The Heritage Foundation and *The Wall Street Journal* (also discussed in Chapters 4 and 5) measure the level of governmental interference in the economic life of a given country. The ratings focus on ten economic factors – trade policy, taxation, general government intervention, monetary policy, capital flows/foreign investment, banking, wage/price controls, property rights, regulation, and the black market – and the ratings are available beginning in 1994. The average of these ten factors represents the total level of economic freedom experienced

Table 6.1: Level of Democracy and Economic Freedom in Nicaragua, 1990-1999

Year	Level of Democracy	Level of Ec. Freedom
1990	6	n/a
1991	6	n/a
1992	6	n/a
1993	6	n/a
1994	6	3.90
1995	8	3.60
1996	8	3.60
1997	8	3.50
1998	8	3.50
1999	8	3.60

by the country in a given year. The variable's value ranges from 1.00 to 5.00. Countries are categorized as "Free," "Mostly Free," "Mostly Unfree," and "Repressed" based on their economic freedom score. The values associated with each categorization are the following:

- 1.00 and 1.99 – Free
- 2.00 and 2.99 – Mostly Free
- 3.00 and 3.99 – Mostly Unfree
- 4.00 and 5.00 – Repressed

Table 6.1 also shows that Nicaragua's level of economic freedom in 1994 (the first year that data is available) was 3.90, placing the country in the "mostly unfree" category and almost placing it in the "repressed" category. Nicaragua's rating improved to 3.60 in 1995 and 3.50 in 1997. At the end of the decade, Nicaragua's level of economic freedom returned to 3.60. Even though Nicaragua's level of economic freedom increased during the 1990s, the country remained in the "mostly unfree" category throughout the decade. This shows that progress was made in regard to economic freedom, but Nicaragua still has to undergo revolutionary change in order to have a free economy.

Figure 6.1 shows the trend in NED funding to Nicaragua during the 1990s. NED funding to Nicaragua was much higher in the first half of the decade than in the second half. In the first half, Nicaragua received more than $1 million in three years – 1990, 1992, and 1994. In 1993, the country received just under $1 million. In the second half of the decade, NED funding to Nicaragua remained below $750,000 in each year and below $500,000 in every year but one (1995). The drop in NED funding that began in 1995 coincides with the improvement of Nicaragua's level of democracy rating (from a 6

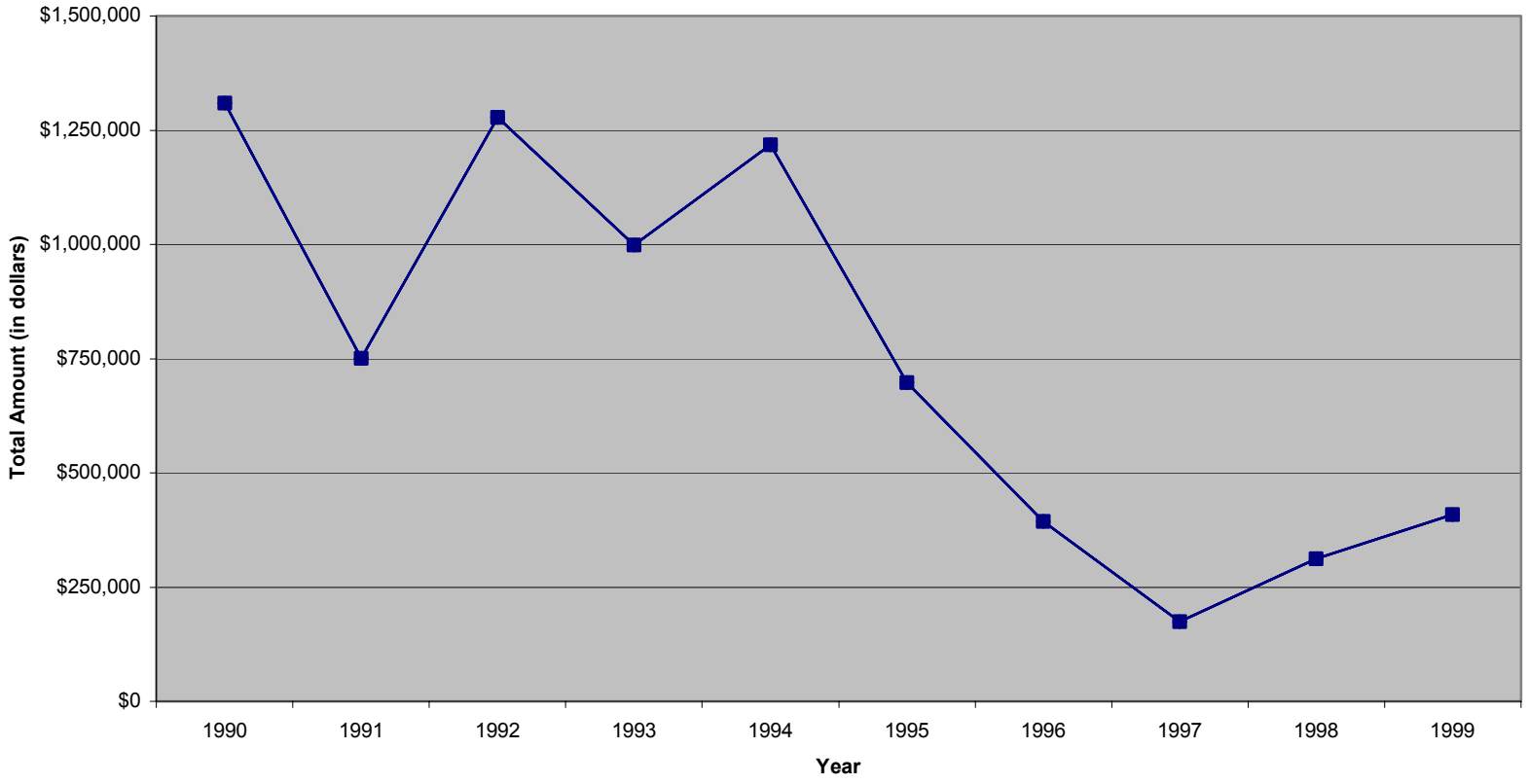

Figure 6.1: Total Amount of NED Grant Money Awarded to Nicaragua, 1990-1999

Table 6.2: NED Grant Activity in Nicaragua by Subject Area, 1990-1999

Year	Business & Economy	Conflict Resolution	Education	Elections	Equipment	Human Rights	Labor	Legislatures
1990	$0	$0	$283,316	$0	$410,000	$0	$566,013	$0
1991	$0	$0	$153,000	$0	$220,000	$29,000	$68,630	$89,500
1992	$0	$0	$864,300	$0	$102,500	$0	$0	$0
1993	$0	$0	$740,682	$0	$38,500	$0	$0	$0
1994	$0	$0	$493,033	$80,936	$0	$0	$0	$110,025
1995	$170,685	$0	$875,574	$106,018	$0	$40,000	$0	$0
1996	$0	$0	$360,509	$33,125	$0	$0	$0	$0
1997	$0	$0	$0	$0	$0	$0	$0	$135,844
1998	$0	$0	$18,150	$294,246	$0	$0	$0	$0
1999	$0	$0	$102,888	$0	$32,011	$0	$0	$0
Total	$170,685	$0	$3,891,452	$514,325	$803,011	$69,000	$634,643	$335,369

Year	Media & Publishing	Political Parties	Public Policy	Rule of Law	Women	Youth	Total
1990	$0	$0	$50,000	$0	$0	$0	$1,309,329
1991	$0	$190,000	$0	$0	$0	$0	$750,130
1992	$0	$0	$311,234	$0	$0	$0	$1,278,034
1993	$81,175	$0	$138,134	$0	$0	$0	$998,491
1994	$0	$0	$0	$0	$40,000	$0	$1,218,532
1995	$0	$0	$0	$0	$0	$0	$697,739
1996	$0	$0	$0	$0	$0	$0	$393,634
1997	$0	$0	$0	$0	$38,476	$0	$174,320
1998	$0	$0	$0	$0	$0	$0	$312,396
1999	$0	$0	$274,459	$0	$0	$0	$409,358
Total	$81,175	$190,000	$773,827	$0	$78,476	$0	$7,541,963

to an 8) and the improvement of the country's economic freedom rating (from 3.90 to 3.60) that occurred that year.

OVERVIEW OF NED ACTIVITY IN NICARAGUA BY SUBJECT AREA

NED categorizes each of its grants according to the subject area that the grant money will be used to influence. Table 6.2 shows NED's grant activity in Nicaragua for each year during the 1990s by subject area. As Table 6.2 shows, NED recognizes 14 subject areas – business and economy, conflict resolution, education, elections, equipment, human rights, labor, legislatures, media and publishing, political parties, public policy, rule of law, women, and youth – that its funding can target. In the data used for this dissertation, NED expressly identifies the primary subject area of each grant. As a review of the subject areas indicates, there is potential overlap among them. Researchers must be cognizant that the primary subject area that NED identifies may only be one of multiple subject areas that the grant will ultimately impact.

As shown in Table 6.2, $3,891,452 (over 50%) of the $7,541,963 that NED awarded to Nicaragua was targeted at education. This made education easily the leading recipient of NED funding in Nicaragua during the 1990s. The rest of the subject areas in order of how much NED grant money they received are the following: equipment ($803,011), public policy ($773,827), labor ($634,643), elections ($514,325), legislatures ($335,369), political parties ($190,000), business and economy ($170,685), media and publishing ($81,175), women ($78,476), human rights ($69,000), conflict resolution ($0), rule of law ($0), and youth ($0).

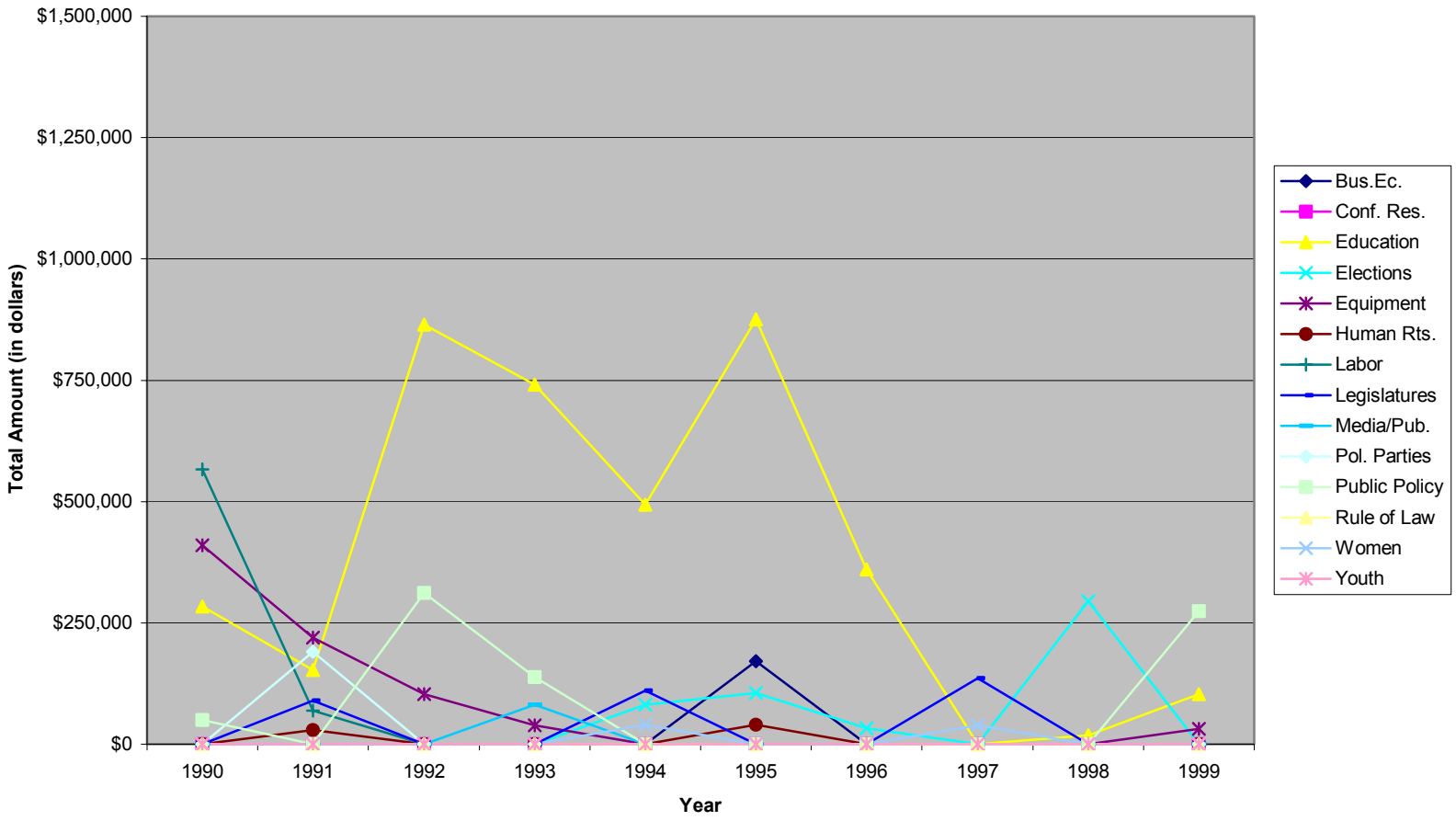

Figure 6.2: NED Grant Money Awarded by Subject Area to Nicaragua, 1990-1999

Figure 6.2 shows the trends that occurred in NED's funding of subject areas during the 1990s. In 6 out of 10 years (1992-1996 and 1999), education received the most NED grant money. Elections received the most funding in 1991, legislatures received the most in 1997, and elections received the most in 1998. Figure 6.2 also illustrates the massive decrease in NED funding to Nicaragua during the last half of the decade. Only business and economy, elections, human rights, and legislatures received more NED grant money in the second half of the decade than in the first half.

SPECIFIC GROUPS/ACTIVITIES FUNDED WITHIN EACH SUBJECT AREA

In its 1990s grant data, NED provides a short description of each project that it funded. Many of the project descriptions provide detailed information about the recipient organization and how it intends to use the grant money. Other project descriptions are more vague. The data does not include any information on the outcome of the activity or whether the activity had any measurable impact. The following section of this chapter looks at the groups within each subject area that received NED grant money in Nicaragua during the 1990s. This information will be the basis of the chapter's conclusions about whether NED grant money in Nicaragua was used for worthwhile, positive activities that contributed to democracy and economic freedom in the country.

Education

In the 1990s, NED awarded $3,891,452 for education in Nicaragua. The American Federation of Teachers received $550,000 in 1992, $494,538 in 1994, and $109,096 in 1995 for its education programs in Nicaragua. The organization received a

total of $1,153,634 from NED during the 1990s – the most of any group in any subject area. The American Federation of Teachers was awarded all of the grant money to develop and continually update a civic education curriculum for use in Nicaraguan public schools that emphasized democratic values and to continually train Nicaraguan teachers in how to effectively teach the civic education curriculum.

Grupo Fundemos was the second largest recipient of NED education funding in the 1990s. *Grupo Fundemos* received four grants totaling $597,543 for its education efforts in Nicaragua. It was awarded $180,000 in 1992, $195,112 in 1993, $204,873 in 1994, and $17,558 in 1996. *Grupo Fundemos'* grants in 1992, 1993, and 1994 were for the same purpose – to support civic education in Nicaragua through sponsoring public issue forms/debates, taking public opinion surveys, and making the survey results known to Nicaragua's leaders. The much smaller grant received by *Grupo Fundemos* in 1996 helped support the organization's program to provide democratic education to Nicaragua's party leaders.

One of NED's core grantees – the National Democratic Institute for International Affairs (NDI) – was the third largest recipient of NED education funding. NDI received three grants totaling $380,822 to help support its ongoing education efforts in Nicaragua. NDI received $138,160 in 1994, $139,774 in 1995, and $102,888 in 1999. All three grants were awarded to NDI to create an education program on civilian-military relations and support the program's dissemination to the Nicaraguan people. The goal of the education program was to make Nicaraguans more aware of their rights in regard to the

military and to increase popular sentiment in favor of heightening civilian oversight of military activities.

Hagamos Democracia was the fourth leading recipient of NED education funding. The organization received one grant in 1996 for $264,304. *Hagamos Democracia* was awarded the grant to develop an education program for Nicaragua's mayors and civic leaders. The proposed curriculum included training on ethics, accountability, fiscal management, conflict resolution, and political participation. *Hagamos Democracia* would follow-up this training by providing continuing education to participants and by monitoring the performance of participants in regard to these issues.

Conciencia – Nicaragua received three NED education grants totaling $194,000, making it the fifth largest recipient. It received $44,000 in 1992, $70,000 in 1994, and $80,000 in 1994. The goal of all three grants was to promote greater political participation in Nicaraguan politics at the grassroots level, especially among women, youth, and the working poor. To promote greater participation, *Conciencia – Nicaragua* sponsored a series of educational programs targeted at these groups that informed them of their political rights.

The last group to receive to receive a substantial amount of NED education funding was *Va Civica*. The organization received three grants – $27,769 in 1990, $153,000 in a second 1990 grant, and $10,300 in 1992 – for a total of $191,069. The first two grants were awarded to use grassroots voter education and training to promote greater political participation by Nicaraguans. The last grant was awarded to support *Va*

Civica's efforts to train political leaders at the local level in democratic practices and values.

Equipment

During the 1990s, NED awarded $803,011 for purchasing equipment in Nicaragua. Nicaragua's *Radio Corporacion* received almost 30% of this grant money in a single grant that it was awarded in 1990. In what appears to be an emergency situation, NED awarded $235,000 to *Radio Corporacion* to pay for "urgently" needed radio equipment that would replace equipment that was destroyed during an "attack" on the radio station. The grant money was provided so that the radio station's broadcasts could be quickly resumed. The rest of the grant money for equipment was awarded through seven separate grants to various radio and television stations for equipment purchases. These organizations include *La Prensa*, *Radio Dario*, *Radio San Cristobal*, and *Telenica S.A.*

Public Policy

NED awarded $773,827 through 7 separate grants to Nicaragua for public policy activities in the 1990s. Recipients of the grants included the Nicaraguan Development Institute, the Nicaraguan Development Foundation, the Nicaraguan Institute of Municipal Administration, and two of NED's core grantees – NDI and the International Republican Institute (IRI) – for their ongoing activities in Nicaragua. The grant money was used to sponsor political training programs for Nicaragua's party leaders, to support worker cooperatives and professional associations, and to sponsor a conference on municipal administration for all newly elected mayors in Nicaragua.

Labor

During the 1990s, NED awarded $634,643 to support labor activities in Nicaragua. Nicaragua's Confederation of Labor Unity received over 75% of this grant money in a single grant that it was awarded in 1990. The Confederation of Labor Unity is an umbrella organization that unifies Nicaragua's independent labor unions. The organization was awarded $493,013 for the purpose of mobilizing workers and their families to participate in and monitor elections in Nicaragua. The Confederation of Labor Unity also received a $73,000 grant in 1990 and a $43,630 grant in 1991 to help educate more workers about their rights and help them mobilize into unions.

Elections

NED awarded $514,325 during the 1990s for activities related to elections in Nicaragua. *Hagamos Democracia* received $400,264 (over 75%) of the grant money for elections. The organization received two grants – one in 1995 for $106,018 and one in 1998 for $294,246. Both grants helped *Hagamos Democracia* hold multiple town meetings with government officials and establish grassroots committees consisting of local leaders that helped pick topics for the town meetings.

Legislatures

During the 1990s, NED awarded $335,369 for activities related to Nicaragua's legislature and legislative processes. Nicaragua's Superior Council of Private Enterprise received $279,395 (over 80%) of this grant money. The organization received a grant in 1991 for $89,500, in 1994 for $110,025, and in 1997 for $79,870. All three grants supported the organization in providing Nicaragua's legislature with objective analysis of

proposed economic legislation. The organization's analysis and reports would also be made available to the public and publicized through Nicaragua's media.

Other Subject Areas

NED awarded one grant in the amount of $190,000 targeted at political parties in Nicaragua. The grant was awarded in 1991 to one of NED's core grantees – IRI – to support its democracy-training program for Nicaragua's party leaders. NED awarded two grants in the business and economy subject area totaling $170,685. Both grants were awarded in 1995 to the Nicaraguan Small and Medium Business Association to support its efforts in lobbying for an open market and its efforts in expanding its membership. In 1993, NED awarded its only grant targeting media and publishing (although all of the equipment grants assisted media and publishing). The grant was awarded to *Telenica SA* to help establish the new, independent television station in Nicaragua. NED awarded two grants aimed at promoting women's issues. The first was a $40,000 grant awarded in 1994 to The Center for Research and Action for Latin American Women. The second was a $38,476 grant awarded in 1997 to Pro Women Nicaragua. In the human rights subject area, *Comision Permanente de Derechos Humanos* received a $29,000 grant in 1991 and a $40,000 grant in 1995 to support its human rights monitoring program in Nicaragua. NED did not make any grants in the conflict resolution, rule of law, and youth subject areas during the 1990s.

DISCUSSION

The literature on Nicaragua in the 1990s identifies certain issues – civilian-military relations, the rule of law, the judiciary, the media, and labor unions – as the most

fundamental issues impacting on political and economic freedom in the country. While it can be argued that almost all of the activities funded by NED in Nicaragua had an indirect impact on these fundamental issues, NED grants were used to directly influence civilian-military relations, the media (through NED's funding of extensive equipment purchases by independent radio and television stations), and labor unions in Nicaragua. Any impact that NED had on the rule of law and the judiciary in Nicaragua would only be an indirect result of its grants that supported civic education programs and democracy training.

In the area of civilian-military relations, NED awarded $380,822 to create an education program on civilian-military relations that would help make Nicaraguans more aware of their rights in regard to the military and help increase popular sentiment in favor of heightening civilian oversight of military activities. In regard to Nicaragua's media, NED awarded $884,186 for the purchasing needed equipment for independent radio and television stations and to help establish a new, independent television station. To support Nicaragua's labor movement, NED awarded $634,643 to help inform workers about their rights and mobilize them into unions. NED awarded almost $1,899,651 to groups that were active in these important subject areas – about 25% of the total funding awarded to Nicaragua.

In Chapter 2, the major debates surrounding NED were discussed. This case study of NED activity in Nicaragua during the 1990s provides evidence that can help resolve many of these debates and show whether NED's critics or supporters are correct in their assessment of the organization. These debates include the following: whether

the U.S. should be interfering in the politics of other countries, whether NED makes its own foreign policy irrespective of official U.S. policy, whether NED promotes democracy or U.S. interests, whether NED has been successful in its efforts, and whether NED escapes proper oversight through purposefully vague documentation of its activities. While the information in this case study will not settle any of these debates, it does provide objective, concrete information about NED activity that will help observers make better-informed judgments about the organization.

NED's critics argue that there is a fundamental contradiction between NED's goal of promoting political and economic freedom and its interference in and manipulation of political and economic processes in other countries. Such meddling has led some to call NED a "loose cannon" that may do more harm than good in the fight for freedom around the world. This case study provides a vivid example this. As discussed in Chapter 2 and above, the U.S. wanted to end Sandinista influence in Nicaragua and saw the country's 1989 elections as an opportunity to put the Sandinistas out-of-power.

Even though many legitimate opposition candidates for Nicaragua's presidency existed and Sandinista-leader Daniel Ortega appeared vulnerable to defeat, NED was used to channel money to presidential candidate Violetta Chamorro and her UNO party. This financial support from NED was instrumental in Chamorro's election. Instead of pursuing the reform agenda that she had promised, Chamorro cut deals with the Sandinistas that not only cemented their continued power, but endangered the future prospects of political and economic freedom in the country. In particular, Chamorro allowed the Sandinistas to maintain control of the Nicaraguan military, which gave them

the potential ability to forcibly take back control of the government. This kept Nicaragua from making progress toward more stability and kept control of the military out of civilian hands. Letting the Sandinistas retain control of the military cost Chamorro many of her political allies. Desperate for political friends, Chamorro allied with the Sandinistas and began to oppose almost all legitimate attempts at governmental reform.

Fortunately, in the 1995 presidential election, Arnoldo Aleman was elected president and, upon taking office, resurrected the reform agenda that Chamorro had promised in her 1989 campaign. This kept Nicaragua from becoming a long-term foreign policy disaster for the U.S. and, in particular, NED. In the 1989 elections, anti-Sandinista sentiment and the desire for greater freedom was strong in Nicaragua. Without any U.S. assistance through NED, a reform candidate had a good chance to win the presidency. NED support was the reason that Chamorro emerged as the leading reform candidate and eventually won. The U.S.'s hand-picked candidate eventually endangered the future of political and economic freedom in Nicaragua by allying with the Sandinistas. Without NED involvement in the campaign, Nicaragua's voters may have elected a candidate that would have followed-through on his/her promises of reform. While a reformer did eventually ascend to the presidency, Chamorro's election delayed the start of true reform in Nicaragua and resulted in the continuing lack of civilian control over the military.

Based on the activity summaries provided by NED, the organization's activities in Nicaragua during the 1990s appear to be much more benign than its activities during the 1989 elections. While NED's involvement in the 1989 elections could be seen as direct "interference" in Nicaragua's politics, the activities supported by NED grant money

during the 1990s do not seem to involve the same type of interference in the political and economic processes of the country. At most, NED's activities had an indirect influence, if any. Of course, even benign involvement by NED in another country may be troubling to the country's government and could interfere in its natural progress toward democracy and a free market. The main issue in this debate may not necessarily be the types of activities that are funded by NED in other countries, but whether any U.S. organization should ever be involved in another country without permission. NED's experience in Nicaragua shows how U.S. involvement has the potential to cause more harm than good.

NED's critics worry that the organization's activities in other countries could contradict official U.S. foreign policy regarding those countries. As shown in Chapter 2, inconsistencies between NED's activities and U.S. policy have occurred in the past, raising the specter that they could occur again. NED's supporters claim that the organization does not take a position on foreign policy questions – it concentrates only on helping democratic movements and activists around the world. They claim that NED does not need to be concerned with contravening U.S. foreign policy because both NED and official U.S. foreign policy strongly support political and economic freedom around the world. They also argue that past instances of conflict between NED activities and U.S. foreign policy all occurred in the organization's early years when the grant process was new and still had imperfections. The process has been improved and such contradictions are very unlikely to happen in the future.

Based on the information provided by NED, none of the organization's activities in Nicaragua during the 1990s appears to conflict with official U.S. policy regarding the

country. In fact, most of NED's activities in the 1990s seem to have a noble quality that is consonant with ideals that are held sacrosanct in the U.S. – democracy, economic freedom, human rights, education, free elections, etc. Given its activities in Nicaragua, it seems that the only way that these activities could cause a foreign policy problem for the U.S. in the country would be if the Nicaraguan government objected to any uninvited NED activity within its borders, regardless of the type of activity involved. This objection could potentially cause the Nicaraguan government to become suspicious of U.S. motives in regard to the country.

NED's critics also question whether the organization truly pursues the altruistic goal of promoting democracy and open markets. They claim that the organization has a more selfish motive behind its activities – the promotion of U.S. interests. These critics note that NED has never given money to support a group whose agenda conflicted with U.S. interests. NED's supporters disagree, claiming that the correlation cited between the organization's activities and U.S. foreign policy exists because democracy and free markets are important factors in determining both. If it is assumed that the U.S. has an interest in promoting political and economic freedom, then all of NED's activities in Nicaragua during the 1990s appear to indirectly promote U.S. interests in the country. Given the priority that political and economic freedom have in both NED policy decisions and U.S. policy decisions, it is easy to see how NED activities would almost always indirectly promote U.S. interests. However, none of NED's activities seems to provide the U.S. any direct political and/or economic benefit.

According to its critics, NED and its supporters are unable to cite any "definitive" successes that justify its existence. These critics doubt that any organization can successfully promote democracy in another country. Without proof of its effectiveness, they worry that taxpayer dollars are being wasted by funding NED. NED's supporters claim that NED has had success, despite its woefully inadequate budget. The types of activities funded by NED in Nicaragua during the 1990s – education, information, mobilizing citizens, etc. – are very subjective and quantifying their impact with any degree of certainty is extremely difficult. These activities tend to have an indirect, cumulative impact on a country, not a direct, independent impact. It can be argued that the impact of an individual activity does not matter – what matters is the impact of the entire range of activities undertaken in the country. This makes assessing NED's success in a country even more complicated. Given this, "definitive" successes may be impossible to find even if NED is having a strong, positive impact.

NED's critics charge that Congressional oversight of NED has been insufficient due to a lack of clear, candid NED record-keeping. They claim that Congress, in overseeing the organization, relies primarily on records supplied by NED, which have often been purposefully vague and misleading. As discussed above, in its 1990s grant data, NED provides a short description of each project that it funded. Many of the project descriptions provide detailed information about the recipient organization and how it intends to use the grant money, while other project descriptions are more vague. The data does not include any information on the outcomes associated with the assistance. The lack of more extensive and complete information on NED grants prevents better

analysis of the organization's activities. This case study of NED activity in Nicaragua during the 1990s used all information available from NED to provide some insight into the organization's activities. With more information, the insight gained into NED through this case study would have been greater. A better understanding of the organization would be gained if NED did provide more information on its activities to the public, this better understanding may help to silence many of NED's critics.

CHAPTER 7
THE NATIONAL ENDOWMENT FOR DEMOCRACY IN CHINA, 1990-1999

INTRODUCTION

This chapter provides a case study of National Endowment for Democracy (NED) activity in the People's Republic of China during the 1990s. As with the previous case study on Nicaragua (Chapter 6), a summary of China's political and economic history and an overview of the major political and economic issues faced by the country in the 1990s will be provided. The groups that received NED funding during the decade will be identified, and their use of NED grant money will be discussed.

Politically, China provides a stark contrast to Nicaragua. In Nicaragua, we see NED at work in a politically dynamic environment. In China, however, the political environment is much more static. Economically, China and Nicaragua have many similarities. Both experienced increases in their level of economic freedom during the 1990s, but both also remained far from having a free economy at the end of the decade. An examination of NED activities in China is also important because, during the 1990s, it received more NED grants and more NED grant money than any other country.

POLITICAL AND ECONOMIC HISTORY

On October 1, 1949, Chinese Communist Party (CCP) Chairman Mao Zedong proclaimed the founding of the People's Republic of China. Chairman Mao's rule included harsh, mass ideological campaigns that resulted in millions of deaths (discussed in "The People's Republic of China After 50 Years" 1999; Meisner 1999; Nathan 1997; Yang 1998; and Yuan 1987). The two most well-known of these campaigns were the

Great Leap Forward and the Cultural Revolution. The Great Leap Forward was an attempt to accelerate agricultural collectivization and spur industrialization in the years 1958-1960. The Great Leap Forward resulted in widespread rural famine and the loss of at least thirty million lives (Meisner 1999, 155-241; Yang 1998, 21-40). In 1966, the Cultural Revolution began as an attempt by Mao to reassert his control of the CCP. The Cultural Revolution also had disastrous consequences, leaving many dead or disgraced (Meisner 1999, 291-412; Yuan 1987).

Mao's death in September, 1976, led to the rise of Deng Xiaopeng as China's leader. Ironically, Deng had previously been disgraced in one of Mao's purges, but was able to re-establish himself as an important member of the CCP prior to Mao's death. In 1978, Deng began instituting a series of market reforms. The most important of these early reforms was the end of collectivized agriculture (Lam 1995, 68-70; Meisner 1999, 129-154; Nathan 1997; "The People's Republic of China After 50 Years" 1999; Yiu-chang 1998).

The most publicized and disturbing event during Deng's reign occurred over a three-month-period in 1989. In April, 1989, thousands of students congregated in Tiananmen Square in Beijing. Their original reason for coming together was to mourn the death of outspoken reformer and former CCP secretary general Hu Yaobang. The wake eventually shifted its focus from the reformer to the reforms that he had advocated. The students began to protest the policies of the Chinese government, calling for greater openness and more popular participation in government – in other words, more

democracy. By the middle of May, the protests in Tiananmen Square sparked similar student activity in other cities.

The government was unwilling to compromise with student demands, and the students were unwilling to end their protests without gaining some concessions from the government. The situation eventually became a stalemate. The government decided to end the protests in Tiananmen Square and make an example of the students. On June 3rd and 4th, the government launched a terrifying military assault on Tiananmen Square. The assault resulted in more than one thousand deaths. The ferocity of the government's action was taken by the rest of the world to be an explicit rejection by the Chinese government of political reform (Donnelly 1998, 115-120; Lawrence 1999; Meisner 1999, 483-513; "Ten Years On: China after Tiananmen" 1999; "The People's Republic of China After 50 Years," 1999).

In 1992, faced with his impending death, Deng decided to make his market reforms irreversible. At the CCP's Fourteenth Party Congress, he had the party formally adopt the creation of a "socialist market economy" as one of its main goals. Deng's hand-picked successor – Jiang Zemin – assumed power in 1993. Jiang was the mayor of Shanghai and a CCP party boss who was known as a party hardliner that was committed to Deng's goals. Jiang's rule has seen the CCP struggle to maintain its monopoly on power. Under Jiang, the party's strategy for retaining power focused on using economic reform to improve the country's standard-of-living, while harshly punishing all dissent. This strategy makes China paradoxical – it promotes economic freedom, but it severely restricts political freedom and civil liberties (discussed in Chen 1999; Cheng 1998;

"China at Fifty" 1999; Fewsmith 1998; Meisner, 514-548, Nathan 1997, Naughton 1998; "The People's Republic of China After 50 Years" 1999; Wu 1998).

MAJOR POLITICAL AND ECONOMIC FREEDOM ISSUES OF THE 1990S

A review of the literature on China in the 1990s reveals that certain issues – political parties, civil liberties, the judiciary, elections, the legislature, the media, labor unions, religion, and the rule of law – were commonly considered to be fundamental to the future of China's political and economic freedom. These issues are discussed here in order to give the reader a grasp of what outside observers and China's leaders/citizens saw as the pivotal issues that would determine whether democracy and economic freedom would make progress in the country during the decade. Later on, when NED-funded activities in China are discussed, we will be able to see whether any of NED's activities were aimed at having a positive impact on these fundamental issues.

Political Parties

The CCP has absolute power. It has ordered the imprisonment of almost all known political dissidents. It uses the Chinese judicial system as a tool for controlling the country, and it harshly restricts many freedoms, including freedom of speech, press, association, and religion. In China, there is little, if any, separation between the CCP and the state. This results in an absence of political diversity in China and a lack of political choice for the Chinese people (discussed in "The People's Republic of China After 50 Years," 1999; Gore 1999; Tomlinson 1999; and Yiu-chung 1998).

Civil Liberties

As discussed in Starr (1997) and Wan (1998), Chinese citizens, in the 1990s, had more freedom to work, travel, and enter into relationships than they have had in the past. However, two aspects of life – politics and procreation – remain severely restricted. The restriction on political freedom (as mentioned above) is severe, and the restriction on procreation is just as harsh and controversial.

China's policy on family planning restricts urban couples to one child – without exception. Rural couples whose first child is female are allowed to petition the government for permission to have a son. Couples who comply with the policy are rewarded with preferential benefits for education, food, and medical treatment. Failure to comply results in the loss of these benefits. The officials administering the policy have been known to impose penalties beyond what is legally specified. They have also been know to force abortion and sterilization upon women in order to guarantee compliance.

The Judiciary

As mentioned above, the judiciary is a tool of the CCP. Judges are not unbiased – they tend to be men of great loyalty to the party (for example, retired military officers). This makes them susceptible to party influence in their judicial proceedings. In the Chinese legal system, the due process rights of defendants are almost always ignored. Dissidents and accused criminals can be detained for up to four years without a judicial hearing. These detainees spend this time working as slave labor in one of China's forced labor camps. It is estimated that over eight million people are held without due process in Chinese labor camps. For those who do get a trial, there is no presumption of

innocence. This helps explain why ninety-nine percent of defendants are convicted (Melone 1998).

Elections

Yiu-chung (1998) contends that only pre-selected CCP candidates and a few independent candidates can compete in China's elections. While independents have won some elections, such an occurrence is very infrequent. Chinese elections have disturbing irregularities and are unfair to all but the pre-selected CCP candidates.

The Legislature

The National Peoples Congress (NPC) is the highest constitutional body in China. It has the power to dictate policy, but it serves as little more than a rubber stamp on the CCP's agenda. It has virtually no power independent of the CCP (Yiu-chung 1998).

The Media

All media in China are controlled by the state, and their reporting must always be consonant with the CCP Propaganda Department's guidelines. Part of these guidelines is a prohibition on criticism of the CCP and its leaders. Since 1996, the government has become even more strict on media freedoms. Since then, at least twelve journalists have been imprisoned for their reporting. The advancement of technology has posed a new threat to the CCP's control of the media. In response, the government has heavily regulated internet access and content. As a result, China only has one million internet users, who tend to be wealthy members of the CCP. China is also underrepresented in its number of private internet sites (discussed in Taubman 1998).

Labor Unions

According to Chan (1998) and Hong and Warner (1998), the only trade unions allowed in China are controlled by the CCP and are members of the All-China Federation of Trade Unions. Independent trade unions are illegal. This gives Chinese workers little power in determining their work-conditions. The lack of effective labor union representation helps guarantee that Chinese workers receive low pay, must work overtime, have no contracts, and can be fired arbitrarily.

Religion

China's government controls all organized religious practice. A church must register with the government and give the government power to appoint its clergy. The government monitors the church's membership, finances, and activities. It also regulates the content and distribution of the church's religious materials. Even if a church is registered and allows this level of government involvement, the church, its leaders, and its congregation are still not safe from governmental persecution. The worst examples of religious persecution are in Xinjiang, Inner Mongolia, and Tibet, where the government has used ethnic strife as a pretext for harsh crackdowns on religious freedom (see "Zhu Rongji in the Land of Demons," 1999).

The Rule of Law

According to Starr (1997), the rule of law is almost non-existent in China. In a country of China's population and geographic size, maintaining a lawful and orderly society would be difficult for any government. The power concentrated in the CCP makes government in China highly centralized. Therefore, it lacks the reach and

flexibility needed to enforce an adequate rule of law. This lack of political capacity has led to the establishment of a second economy in China – a massive black market where scarce and prohibited goods can be purchased.

NED ACTIVITY IN CHINA DURING THE 1990S

The Polity data-sets (discussed in Chapters 4, 5, and 6) operationalize democracy through the following factors: participation, competitiveness, openness, and constraints on the executive. These factors are combined into one number that captures the level of democracy found in a country in a given year. The variable's value ranges from 1 (low democracy) to 10 (high democracy). Table 7.1 shows that, according to the Polity data-sets, China began the 1990s with a level of democracy of 0 and ended the 1990s with a level of democracy of 0. This shows that, politically, China is a highly repressive society that made no measurable progress toward democracy in the 1990s.

The economic freedom ratings published by The Heritage Foundation and *The Wall Street Journal* (also discussed in Chapters 4, 5, and 6) measure the level of governmental interference in the economic life of a given country. The ratings focus on ten economic factors - trade policy, taxation, general government intervention, monetary policy, capital flows/foreign investment, banking, wage/price controls, property rights, regulation, and the black market – and the ratings are available beginning in 1994. The average of these ten factors represents the level of economic freedom experienced by the country in a given year. The variable's value ranges from 1.00 to 5.00. Countries are categorized as "Free," "Mostly Free," "Mostly Unfree," and "Repressed" based on their

Table 7.1: Level of Democracy and Economic Freedom in China, 1990-1999

Year	Level of Democracy	Level of Ec. Freedom
1990	6	n/a
1991	6	n/a
1992	6	n/a
1993	6	n/a
1994	6	3.90
1995	8	3.60
1996	8	3.60
1997	8	3.50
1998	8	3.50
1999	8	3.60

economic freedom score. The values associated with each categorization are the following:

- 1.00 and 1.99 – Free
- 2.00 and 2.99 – Mostly Free
- 3.00 and 3.99 – Mostly Unfree
- 4.00 and 5.00 – Repressed

Table 7.1 also shows that China's level of economic freedom in 1994 (the first year that data is available) was 3.80, placing the country in the "mostly unfree" category and almost placing it in the "repressed" category. China's level of economic freedom was upgraded slightly in 1997 to a 3.75, but it returned to a 3.80 the following year (1998). In the last year of the decade, China's level of economic freedom was 3.40 – a strong improvement. Even though China's level of economic freedom did increase over the course of the decade (or, more accurately, over the course of the final year of the decade), the country's level of economic freedom remained in the "mostly unfree" category throughout the 1990s. While China did make progress toward greater economic freedom, it still has enormous strides to make in order to join the countries that are considered "mostly free" and "free" in regard to their economic policy.

Figure 7.1 shows the trend in NED funding to China during the 1990s. NED funding to China follows a trend that is the exact opposite of what was seen in Chapter 6's case study of Nicaragua. NED funding was much higher in Nicaragua during the first half of the decade than in the second half. In China, NED funding was much higher in the second half of the decade than the first. NED awarded China $403,750, $579,537, and 409,000 in the first three years of the 1990s. China received $1,866,835 in 1994,

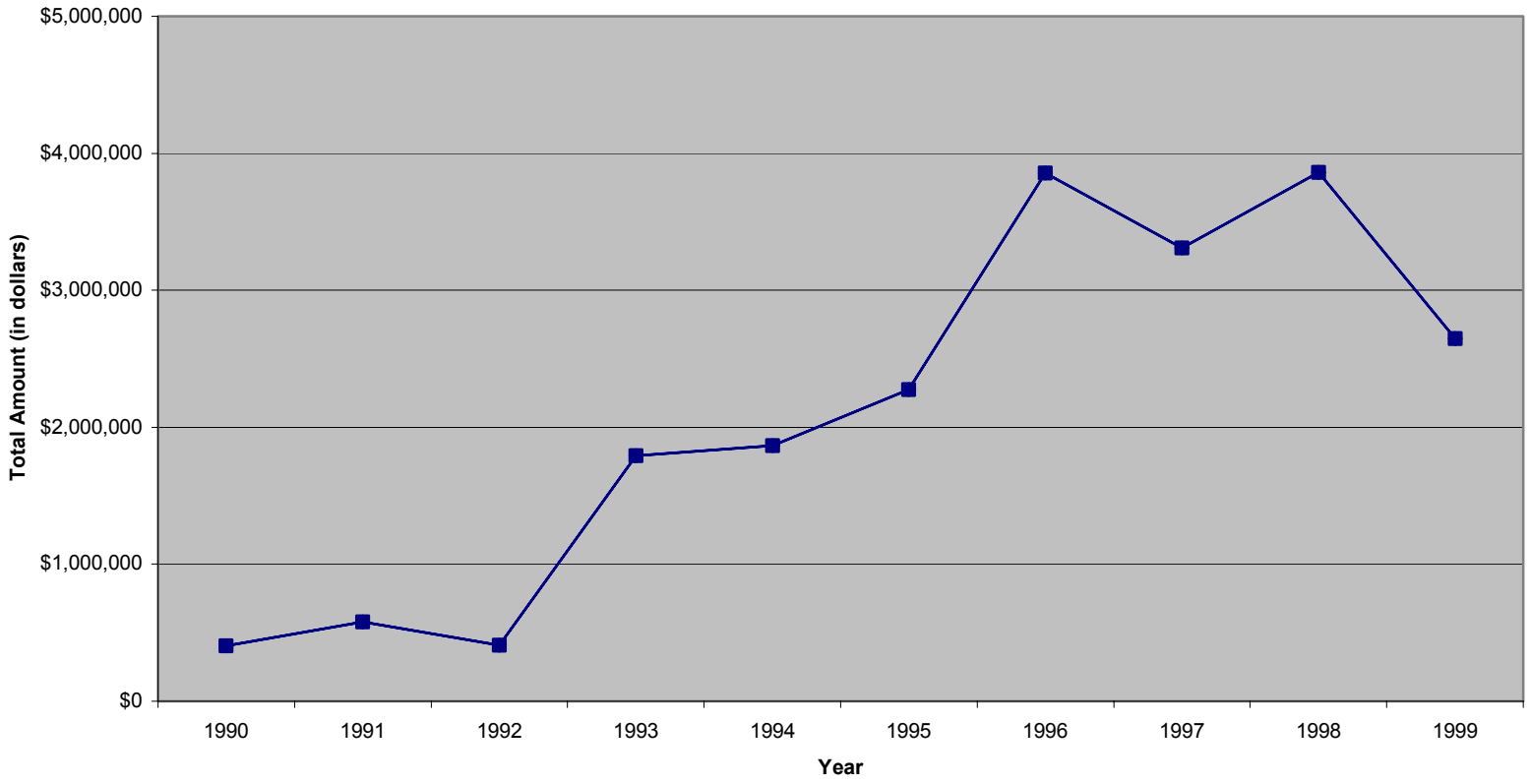

Figure 7.1: Total Amount of NED Grant Money Awarded to China, 1990-1999

Table 7.2: NED Grant Activity in China by Subject Area, 1990-1999

Year	Business & Economy	Conflict Resolution	Education	Elections	Equipment	Human Rights	Labor	Legislatures
1990	$0	$0	$0	$0	$49,000	$63,500	$0	$0
1991	$94,480	$0	$225,057	$0	$0	$0	$0	$0
1992	$0	$0	$0	$0	$0	$60,000	$0	$0
1993	$50,000	$0	$50,059	$24,950	$0	$195,000	$621,050	$0
1994	$0	$0	$299,719	$0	$0	$125,000	$728,343	$0
1995	$84,169	$0	$88,950	$538,506	$0	$254,000	$435,753	$0
1996	$266,072	$0	$454,286	$1,197,744	$0	$405,600	$759,393	$0
1997	$285,324	$334,499	$100,000	$100,120	$0	$319,600	$433,327	$0
1998	$287,177	$0	$76,800	$875,000	$188,905	$253,000	$779,581	$0
1999	$225,557	$0	$30,000	$662,016	$0	$1,070,399	$370,997	$0
Total	$1,292,779	$334,499	$1,324,871	$3,398,336	$237,905	$2,746,099	$4,128,444	$0

Year	Media & Publishing	Political Parties	Public Policy	Rule of Law	Women	Youth	Total
1990	$72,892	$97,500	$120,858	$0	$0	$0	$403,750
1991	$260,000	$0	$0	$0	$0	$0	$579,537
1992	$325,000	$0	$24,000	$0	$0	$0	$409,000
1993	$518,250	$0	$136,136	$185,566	$0	$10,000	$1,791,011
1994	$578,773	$0	$0	$100,000	$20,000	$15,000	$1,866,835
1995	$544,000	$50,000	$281,138	$0	$0	$0	$2,276,516
1996	$574,000	$60,000	$139,133	$0	$0	$0	$3,856,228
1997	$704,860	$0	$1,015,516	$14,780	$0	$0	$3,308,026
1998	$1,173,730	$65,000	$100,000	$40,000	$0	$20,000	$3,859,193
1999	$223,000	$67,164	$0	$0	$0	$0	$2,649,133
Total	$4,974,505	$339,664	$1,816,781	$340,346	$20,000	$45,000	$20,999,229

$2,276,516 in 1995, $3,856,228 in 1996, $3,308,026 in 1997, $3,859,193 in 1998, and $2,649,133 in 1999.

OVERVIEW OF NED ACTIVITY IN CHINA BY SUBJECT AREA

As discussed in Chapter 6, NED categorizes each of its grants according to the subject area that the recipient will use the money to influence. Table 7.2 shows NED's grant activity in China for each year during the 1990s by subject area. As Table7.2 shows, NED recognizes 14 subject areas – business and economy, conflict resolution, education, elections, equipment, human rights, labor, legislatures, media and publishing, political parties, public policy, rule of law, women, and youth – that grantees influence. In the data used for this dissertation, NED expressly identifies the primary subject area of each grant. As a review of the subject areas indicates, there is potential overlap among the subject areas. Researchers must be cognizant that the primary subject area that NED identifies may only be one of multiple subject areas that the grant will impact.

As shown in Table 7.2, media and publishing was the subject area that received the most NED funding. It received $4,974,505 (almost 24%) of the $20,999,229 that NED awarded to China in the 1990s. Labor was second with $4,128,444, elections was third with $3,398,336, and human rights was fourth with $2,746,099. The rest of the subject areas in order of how much NED grant money they received are the following: public policy ($1,816,781), education ($1,324,871), business and economy ($1,292,779), rule of law ($340,346), political parties ($339,664), conflict resolution ($334,499), equipment ($237,905), youth ($45,000), women ($20,000), and legislatures ($0).

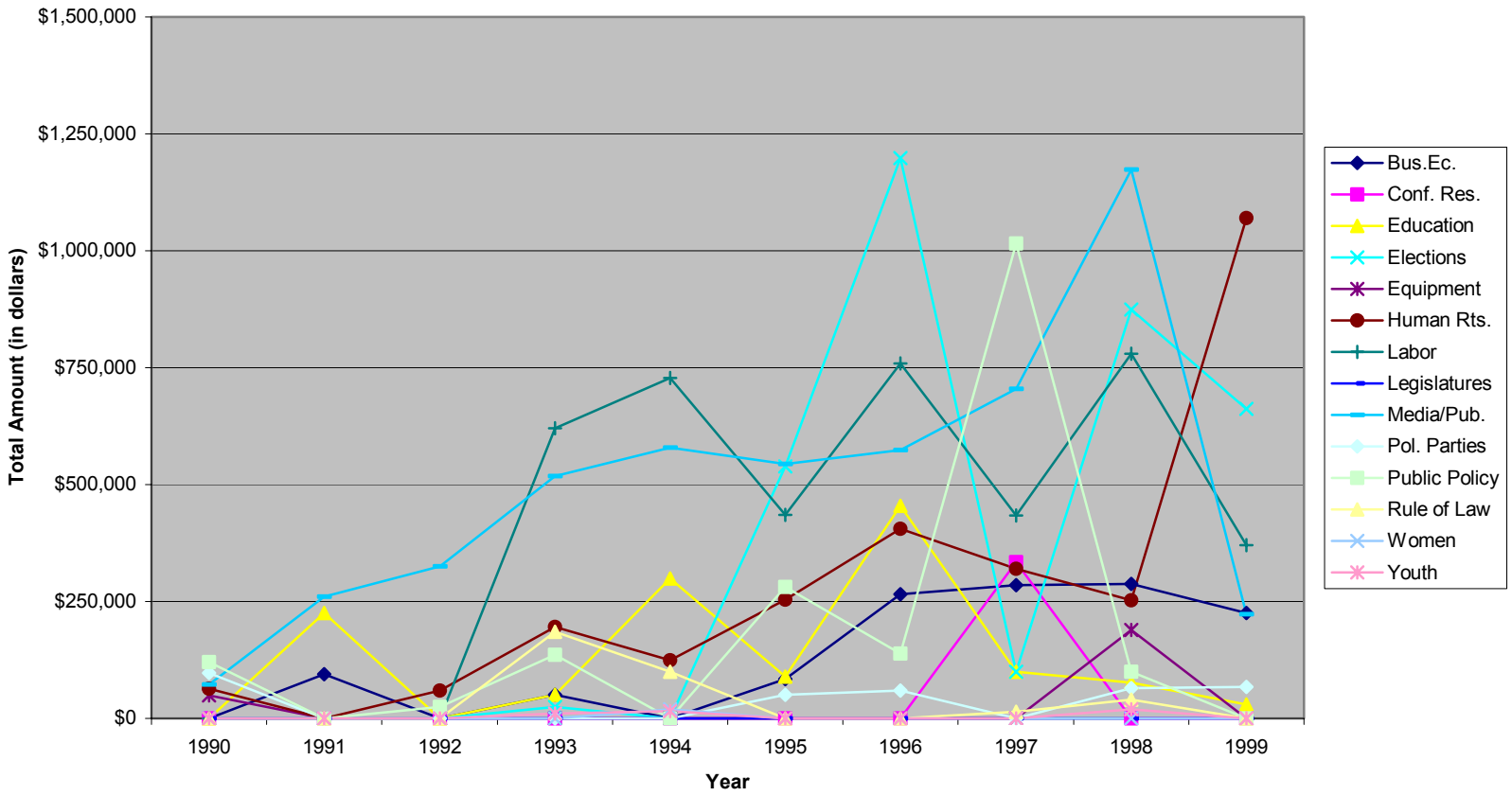

Figure 7.2: NED Grant Money Awarded by Subject Area to China, 1990-1999

Figure 7.2 shows the trends that occurred in NED's funding of subject areas in China during the 1990s. In 4 out of 10 years (1991-1992, 1995, and 1998), media and publishing received the most NED grant money. Labor (1993-1994) and public policy (1990 and 1997) each received the most grant money in two years. Elections (1996) and human rights (1999) each received the most NED funding in one year during the 1990s. Figure 7.2 also illustrates the massive increase in NED funding to China during the second half of the 1990s. Ten out of the fourteen subject areas – business and economy, conflict resolution, education, elections, equipment, human rights, labor, media and publishing, political parties, and public policy – received more NED funding in the second half of the decade than in the first half.

SPECIFIC GROUPS/ACTIVITIES FUNDED WITHIN EACH SUBJECT AREA

As discussed in Chapter 6, NED includes a short description of each project that it has funded in its grant data. Many of the project descriptions provide detailed information about the recipient organization and how it intends to use the grant money. Other project descriptions are more vague. The data does not include any information on the outcome of the activity or whether the activity had any measurable impact. The following section of this chapter looks at the groups within each subject area that received NED grant money in China during the 1990s and how the grant money was used. This information will be the basis of the chapter's conclusions about whether NED grant money in China was used for worthwhile, positive activities that contributed to democracy and economic freedom in the country.

Media and Publishing

In the 1990s, NED awarded $4,974,505 to support media and publishing in China. *Democratic China* was the leading recipient of NED's media and publishing grant money. The magazine received $50,000 in 1992, two $60,000 grants in 1993, $60,000 in 1994, $65,000 in 1995, $65,000 in 1996, $65,000 in 1997, $85,000 in 1998 and $75,000 in 1999, for a total of 9 grants and $585,000 during the decade. *Democratic China* is a Chinese magazine that contains articles that promote democracy in mainland China and discusses the processes of democratization in Taiwan, Hong Kong, and Macao. The magazine was awarded all of the grant money to support its continued publication and distribution.

China Perspective, Inc., was the second largest recipient of NED media and publishing funding during the 1990s. China Perspective, Inc., publishes *The Chinese Intellectual* – a Chinese-language quarterly magazine that promotes democratic values to its readers in China. The organization received 7 grants totaling $566,892 to help support the continued publication and distribution of the magazine. It was awarded $20,892 in 1990, two grants totaling $260,000 in 1991, $130,000 in 1992, two grants totaling $26,000 in 1993, and $130,000 in 1994.

China's *Press Freedom Guardian* – a bi-weekly, pro-democracy Chinese language newspaper – was the third largest recipient of NED media and publishing funding. The *Press Freedom* Guardian received 8 grants totaling $446,000 to help support the newspaper's ongoing publication and distribution. It received two grants

totaling $35,000 in 1993, $38,000 in 1994, $40,000 in 1995, $45,000 in 1996, $45,000 in 1997, $160,000 in 1998, and $48,000 in 1999.

The Chinese Economists Society was the fourth leading recipient of NED media and publishing funding. The organization received four grants from NED totaling $405,253. The Chinese Economists Society was awarded $64,000 in 1992 to support the preparation of a series of twelve educational books for public distribution on the benefits of a market economy. The Society was awarded two grants totaling $200,000 in 1993 to support its publication and distribution of monthly monographs on political reform, a journal featuring articles written by exiled dissidents, and a series of books on democracy. In 1994, it was awarded $141,253 to produce a series of educational books on business administration, accounting, business law, corporate finance, international business, management information systems, and marketing.

The New Era – a bi-weekly newspaper – received 4 NED media and publishing grants for a total of $324,786, making it the fifth largest recipient. The newspaper received $20,000 in 1995, $40,000 in 1996, $134,786 in 1997, and $135,000 in 1998. *The New Era* provides an alternative source of printed news and information for Chinese citizens. The newspaper is pro-democracy and includes full-text transcripts of speeches and policy statements by human rights and democracy activists.

The China Strategic Institute received the sixth largest amount of NED media and publishing grant money. It received two grants totaling $300,000 in the 1990s – one in 1996 for $130,000 and another in 1997 for $170,000. The Institute is comprised of forty scholars and policy experts in China who will use the funding to research, write, and

publish studies of constitutional reform in the country. The studies will be distributed to the media and adapted for use in public education.

The Center for Modern China received $265,000 of NED media and publishing funding, making it the seventh largest recipient. It received $100,000 in 1995, two grants totaling $110,000 in 1998, and $55,000 in 1999. The Center received NED funding to support two journals and a series of books. The two journals are *Modern China Studies* and the *Journal of Contemporary China*. Both provide analysis of key issues relevant to democracy in China. The book series focuses on the rule of law in China and is designed to be used in Chinese law schools. The goal of the book series is to promote a complete overhaul of the Chinese legal system.

The last group to receive to receive a substantial amount of NED media and publishing funding was the Princeton China Initiative. The organization received 5 grants – $26,000 in 1992, $53,000 in 1994, $55,000 in 1995, $60,000 in 1996, and $40,000 in 1994 – for a total of $234,000. The Princeton China Initiative is an independent center for exiled Chinese dissident intellectuals. The grants support the continued publication of two journals featuring the writings of these intellectuals and their monthly distribution in China. The journals are *The Road* and *China Focus*.

Other recipients of NED media and publishing funding include the Foundation for China in the 21st Century, which used its $150,000 of grant money to publish two books exploring issues related to Tibet and one book documenting Taiwan's democratic development. The Tibet Fund received $98,770 to produce and distribute audio and video tapes to educate Tibetans about current events and policy issues. NED awarded

$88,000 to the Chinese literary magazine *Today* to help continue its publication and distribution. *Today* features literary criticism and new fiction by Chinese writers that is free from government censorship. Other grants supported the publication of a human rights manual, a human rights newsletter, a pro-democracy magazine, and information on Tibet.

Labor

During the 1990s, NED awarded $4,128,444 to support labor activities in China. Over 60% of the labor funding ($2,519,556) went to the Asian-American Free Labor Institute (AAFLI). The AAFLI received three grants totaling $561,050 in 1993, $388,399 in 1994, $435,753 in 1995, $400,000 in 1996, $433,327 in 1997, and $343,847 in 1998. AAFLI used this funding to build a support network of Chinese labor activists, to assist labor activists in China and Hong Kong, to support labor activists who have lost their jobs due to their activism, to promote worker rights in China, to disseminate information on labor rights abuses, to assist unions in Taiwan, to continue publishing the *China Labour Bulletin* and *China Labor Notes*, and to begin organizing workers in Macao. The remainder of NED funding was awarded to the Laogai Research Foundation and one of NED's core grantees – The American Center for International Labor Solidarity. The grant money was primarily used to promote adherence to international labor standards in China, Hong Kong, Macao, and Taiwan. It was also used to sponsor a conference on labor issues for labor groups from Hong Kong, Macao, and Taiwan.

Elections

In the 1990s, NED awarded $3,398,336 through 8 separate grants to China for activities related to elections. The International Republican Institute (IRI) – one of NED's core grantees – was awarded two grants totaling $1,190,522. IRI received $538,506 in 1995 and $652,016 in 1999 to support its promotion of electoral reform in China. The grant money was used to educate the public on proper elections procedures, for research on the shortcomings of China's current electoral system, and for lobbying the Chinese government to change its laws regarding elections.

China's Association of Towns and Townships received an $875,000 grant in 1998 to support electoral reform at the village level by training local election administrators and lobbying for changes in local election laws. China's Association for Grassroots Governance and the Institute for Asia-Pacific Studies both received just under $600,000 in 1996 to hold training workshops for provincial and local elected officials in China. The remaining NED funding for elections activities went to NDI and the China Strategic Institute to analyze Hong Kong's election process and to publish research papers on the failings of China's electoral system.

Human Rights

During the 1990s, NED awarded $2,746,099 to promote human rights in China. Over 40% of this funding ($1,133,000) went to Human Rights in China, Inc. The organization received $120,000 in 1993, three grants totaling $165,000 in 1995, $150,000 in 1996, $150,000 in 1997, three grants totaling $148,000 in 1998, and $400,000 in 1999. NED funding supported the organization's programs that provide legal advice to political

prisoners, publish educational materials aimed at informing Chinese citizens about their rights, document/publicize human rights abuses, lobby the Chinese government for improvement in its human rights record, and focus on special human rights issues pertaining to women.

The Laogai Research Foundation was awarded $376,200 to support its human rights activities. The Foundation was awarded $60,000 in 1992, two grants totaling $89,000 in 1995, two grants totaling $73,600 in 1996, $68,600 in 1997, and $85,000 in 1999. The activities supported by NED funding include the creation and maintenance of a human rights database on China's forced labor prison camps, the publicizing within China and internationally of China's use of labor camps to detain political prisoners without trial, the creation of a human rights handwork for distribution to throughout China, and. the production of a documentary on public executions in China.

Public Policy

NED awarded three grants totaling $1,816,781 during the 1990s for activities related to public policy in China. Over 60% of the grant money ($1,124,133) went to China's Association of Towns and Townships. This Beijing-based organization received $139,133 in 1996 to conduct a survey to determine the effectiveness of government at the village-level and to determine the training needs of local governments in China. The organization used the survey results as the basis for proposing improvements to local government in China. The Association of Towns and Townships also received $985,000 in 1997 to support its ongoing efforts to reform election practices at the village level and legal reform at the provincial level.

China's National League for Democracy received two NED grants totaling $211,636 to support its public policy work in China. The organization received $111,636 in 1993 and $100,000 in 1998 to support its democratic development program and to provide organizational support to grassroots democracy groups in China. NED awarded one grant totaling $116,138 to the China Center for Economic Research to help the organization organize a lecture series on economic reform in China. The lecture series featured Chinese government officials and economists from China and the United States. The lectures were used as the basis for a new series of university textbooks on the subject of economic reform in China.

The Center for Modern China was awarded two NED grants totaling $98,000 to aid its public policy efforts. The organization received $75,000 in 1990 and $24,000 in 1992 to hold conferences on Sino-Tibetan relations. The rest of the grant money that NED awarded in the public policy area went to the International Campaign for Tibet, the Foundation for Human Rights in China, the China Strategic Institute, and the Future of China Society. The activities funded by NED include publishing articles about Tibet in Chinese newspapers, publishing *Tibet Forum* and the *Tibetan Environment and Development News*, facilitating meetings between Chinese and Tibetan leaders, publishing a series of papers on solutions to pressing problems in China, and supporting a conference on Hong Kong-Chinese relations.

Education

During the 1990s, NED awarded $1,324,871 for activities related to education in China. The leading recipient of NED funding for education was the National League for

Democracy, which received $305,125 during the decade. The organization received $15,000 in 1991, $50,059 in 1993, $120,066 in 1994, and $120,000 in 1996. The grant money was used to train leaders in strategic planning techniques, to open more offices for the organization, and to train citizens in opposing government through non-violent means. Human Rights in China, Inc., received one NED grant in 1994 for $155,000 to support its "Human Rights Education and Assistance Project." The Project produces and circulates educational materials that inform Chinese citizens about their rights. The Foundation for Human Rights and Democracy in China received one NED grant in the amount of $129,516 to promote democratic education in China and fund research into the solutions offered by democracy and free markets for China's problems.

The remainder of NED's funding for education in China involves many smaller, individual grants. Recipients include the Albert Einstein Institute, the Center for Modern China, the Center for the Study of Human Rights, the Independent Federation of Chinese Students and Scholars, the International Fund for the Development of Tibet, the International Campaign for Tibet, China's National Health and Education Committee, the Tibet Fund, the Tibet Multimedia Center, the Tibetan Young Buddhist Association, and the Political Defiance Committee. Their activities include a two-week training course on democracy, a conference on nationalism and democracy in China and Tibet, a leadership training program focusing on strategic planning and grassroots organizing, promoting democratic development in Tibet, producing written materials and audio cassettes to bring news into rural Tibet, educating Chinese citizens on non-violent political action, and providing civic education to Tibetan youth.

Business and Economy

During the 1990s, NED awarded $1,292,779 in grant money to support activities related to China's business and economy. The Chinese Economists Society was the leading recipient, receiving six grants totaling $428,487. The organization received $50,000 in 1993, $67,971 in 1995, $89,377 in 1996, two grants totaling $187,165 in 1997, and $83,974 in 1998. The organization used the grant money to conduct a conference on China's transition to a market economy, to hold a symposium to highlight problems faced by state-run industries in China, to encourage privatization of the financial sector in China's Guangdong Province, to hold forums that encourage dialogue between China's private entrepreneurs and the government, to establish a "Private Enterprise Management Training Center" that will train young Chinese entrepreneurs, and to hold a policy forum in Beijing highlighting the link between a market economy and increased social welfare.

The China Center for Economic Research received $133,100 in 1998 to help establish the China Economic Network and an economics-training program for young faculty at China's colleges and universities. China's Unirule Institute of Economics received four grants during the 1990s totaling $129,094 to hold bi-weekly forums and debates on economic reform issues. Participants in the forums and debates included private entrepreneurs, academics, government officials, and journalists. The Center for Modern China received two grants in 1991 totaling $133,100 to support the publication and distribution of a monthly series of academic papers that focus on the solutions offered by a free market to China's economic problems. Other business and economy

grants were awarded to the Center for International Private Enterprise and the Beijing Siyuan Merger and Bankruptcy Consultancy.

Other Subject Areas

In the rule of law subject area, NED awarded three grants during the 1990s totaling $340,346. The grants were awarded to the Center for Modern China, the Center for the Study of Human Rights, and IRI. These organizations used NED funding to support the ongoing publication and distribution of the *Journal of Contemporary China*, to publish and distribute works by Chinese scholars on constitutionalism and the rule of law, and to promote the role of private voluntary organizations in Chinese government. NED awarded $339,664 to organizations that sought to have an impact on political parties in China. The Asian-American Free Labor Institute and NDI used this money to help organize dissident political parties in China and encourage unity among all pro-democracy parties. $334,499 was awarded by NED to promote conflict resolution in China during the 1990s. IRI and the Political Defiance Committee used this funding to support their training of citizens in nonviolent resistance. NED awarded $237,905 for equipment purchases in China. The Tibet Fund and the National Coalition for Democracy used this funding to purchase the equipment needed to produce audio and video cassettes containing news and information that could be distributed in Tibet and other rural parts of China. The Tibetan Youth Congress and the Karen Youth Organization received $45,000 from NED to support their youth leadership training programs. Human Rights, Inc., received $20,000 from NED to help publicize the

Chinese government's abuse of women's rights. NED did not make any grants regarding the legislatures subject area during the 1990s.

DISCUSSION

The literature on China in the 1990s identifies certain issues – political parties, civil liberties, the judiciary, elections, the legislature, the media, labor unions, religion, and the rule of law – as the most fundamental issues impacting on political and economic freedom in the country. While it can be argued that almost all of the activities funded by NED in China had an indirect impact on these fundamental issues, NED grants were used to directly influence all of these subject areas in China. NED support was particularly strong in regard to the media, civil liberties (through its funding for human rights activities), elections, religion (through its funding of education and public policy activities related to Tibet), and labor unions.

In regard to some of the major debates surrounding NED (discussed in Chapters 2 and 6) – whether the U.S. should be interfering in the politics of other countries, whether NED makes its own foreign policy irrespective of official U.S. policy, whether NED promotes democracy or U.S. interests, whether NED has been successful in its efforts, and whether NED escapes proper oversight through purposefully vague documentation of its activities – this case study of NED activity in China during the 1990s leads to many of the same conclusions as the case study of Nicaragua (Chapter 6). However, NED activity in China during the 1990s was markedly different than its activity in Nicaragua.

In China, media and publishing was the subject area that received the most NED funding. It received almost 24% of all NED funding that was awarded to China. In

Nicaragua, the education subject area received the most NED funding (over 50% of all grant money awarded to the country). The types of activities associated with the media and publishing subject area – publishing and distributing newspapers, magazines, books, etc. – appear to be less intrusive and less direct than the types of activities associated with the education subject area – civic education seminars and conferences, leadership training, democracy training, etc. For example, publishing and distributing a magazine in China that contains articles about democratic and/or free market values is a much less intrusive and less direct way to promote democracy and/or economic freedom than holding face-to-face education seminars in China on democratic and/or free market values.

NED's focus on less intrusive and less direct approaches to promoting democracy and economic freedom in China is probably dictated by the Chinese government's intolerance to any promotion of reform, especially any outside promotion of reform. More direct approaches would likely meet with staunch opposition from the Chinese government and could result in negative consequences for the Chinese groups and people that are involved. This may also explain why a much higher proportion of NED funding that is awarded to China – as compared to Nicaragua – is awarded to groups that are active in the country, but not native to China. For example, over 60% of NED funding to the labor subject area was awarded to the Asian-American Free Labor Institute – a group that promotes worker rights in China, but is not based in the country and, therefore, is not subject to direct government reprisals.

A less intrusive and less direct approach to promoting democracy and economic freedom would seem to have a negative impact on NED's success in the country. Less intrusive and less direct methods would seem to make success more difficult to achieve, and – if success is achieved – the length of time required for its achievement would seem to be longer. This makes promoting democracy and economic development a much more difficult task in a repressed country such as China, than in Nicaragua – a country that is more open to change.

NED must also be careful in its approach to promoting political and economic freedom in China because of the controversial issues that it was confronting. The best example of this involves NED support for groups seeking to protect Tibet. NED awarded grant money in the areas of media and publishing, human rights, labor, elections, public policy, education, and youth to these groups. As discussed above, China's government had severely cracked-down on Tibet for religious and ethnic reasons. The crack-down became a prominent international issue and a "sore" issue for China's government, which steadfastly refused to change its policy. The involvement of an organization that is funded by the U.S. government in such high-profile, domestic issues that involves an economic and military power such as China seems to be risky – it could potentially harm U.S.-China relations.

Out of respect for China's economic and military power, during the 1990s, official U.S. foreign policy was willing to accept the status-quo in China. It expressed support for greater political and economic freedom for the country, but it did not take any affirmative steps toward becoming involved in China's internal affairs to help bring about

more freedom. NED's support for groups that were actively attempting to change the status-quo in China seems to support the contention of NED's critics that the organization could be a "loose cannon" that could potentially do more harm than good.

CHAPTER 8
CONCLUSION

OVERVIEW

As a student of international relations and, in particular, U.S. foreign policy at the end of the 1990s and the beginning of the 21st century, the importance of democracy and economic freedom in the post-Cold War world caught my attention. Although the literature on democracy and economic freedom was already extensive and growing rapidly, one topic had not been adequately addressed. As mentioned in Chapter 1 of this dissertation, billions of dollars have been spent to promote democracy and economic freedom through U.S. foreign aid, but little is known about its impact. Even those who staunchly support the promotion of democracy and free markets as an integral part of U.S. foreign policy are unsure whether it really has a positive impact. The evidence that exists provides limited guidance because it is based on anecdotal evidence, not analysis of objective aggregate data gathered over a substantial period of time. This led me to conclude that an objective and thorough analysis of the promotion of democracy and economic freedom is not only needed, but would be a valuable contribution to the literature.

As a student of U.S. foreign policy, I also took note of the leading U.S. organization that promotes democracy and economic freedom throughout the world – the National Endowment for Democracy (NED). As discussed in Chapter 2, NED, since its founding, has been the subject of immense discussion and controversy. Even though NED's critics and supporters disagree on many issues, both agree that many aspects of

the organization are shrouded in secrecy, and this secrecy helps to promote the controversy. Seeing this, I concluded that a thorough analysis of NED is needed in order to help end this secrecy and help resolve the debates surrounding the organization.

The goal of this dissertation is to provide insight into the promotion of democracy and economic freedom through an analysis of NED activities. The analysis uses aggregate data analysis to look at the organizations that were awarded NED grant money, how much money they were awarded, how the money was used, and whether NED's grant money helped to promote political and economic freedom. The results of this aggregate data analysis of NED's activities can be better generalized to all democracy and free market promotion activity and help provide greater insight into its impact than the evidence that is currently available in the literature. This dissertation uses data on NED activities during the 1990s. Even though NED activities are shrouded in secrecy, the author of this dissertation was fortunate to obtain complete data on NED grant activity in the 1990s during a short period of time that the data was made available over the internet by NED. Chapter 3 of this dissertation represents the first time that complete, detailed data on NED's grant activities for any length of time has been presented and analyzed.

Chapter 4 provides an analysis of the determinants of which organizations were awarded NED grant money. It uses the extensive theoretical and empirical literature that analyzes the determinants of traditional U.S. foreign aid funding decisions as its foundation. In this literature, certain variables have been identified as potentially important in U.S. foreign aid funding decisions. They include the following: U.S.

military presence within a country, a country's openness to U.S. trade, a country's level of economic development, whether the country is a U.S. alliance partner, the country's population, and the size of a country's economy. These variables and one other – U.S. foreign aid allocations to the country – are used as control variables in the analysis. They control for the traditional motivations behind U.S. foreign aid decisions and help allow for the true impact of democracy and economic freedom on NED grant making decisions to be seen. The analysis uses difference of means tests and regression techniques to analyze the data.

The difference of means test results indicate that NED funds projects in countries that have a large, poor population and have little political and/or economic freedom. This suggests that NED does not base its grant decisions on promoting selfish U.S. interests, but, instead, bases its decisions more on a country's need for assistance. The regression results show that more NED grants and a higher amount of NED funding are associated with a lower level of democracy and a lower level of economic freedom. However, level of democracy is significant in the first model, but not significant in the second, third, and fourth models. Level of economic freedom (included in only the first and third models due to data limitations) is not significant in the first model, but is significant in the third model. The inconsistent significance of these independent-variables-of-interest across the regression models casts doubt on their importance in NED grant making decisions.

Chapter 5 provides an analysis of the impact of NED's activities on democracy and economic freedom around the world. Since students of democracy agree that modernization/wealth and external forces – such as international politics and economics –

have an impact on whether democracy and economic freedom evolve within a country, the following were included as control variables: change in a country's level of economic development, change in the size of a country's economy, change in a country's population, and change in a country's level of U.S. foreign aid. The analysis also uses difference of means tests and regression techniques to analyze the data.

The difference of means test results reveal that countries that experienced an increase in democracy received slightly more NED grant money than countries that experienced no increase in democracy. The difference is not significant. This casts doubt on the impact that NED grant money had on democracy. The difference of means test results also show that, even though the difference in NED grant money awarded to countries that increased their economic freedom and to countries that did not increase their economic freedom is larger than the difference regarding democracy, the lack of a sizable difference in NED grant money and the lack of a significant relationship casts doubt on NED's impact on economic freedom. The regression results show that countries that received more NED grant money did not make as much progress toward political and economic freedom as countries that received less or no money. Even though the relationships are not significant, this indicates that NED funding was not a positive factor – much less a strong, positive factor – in promoting democracy and economic freedom during the 1990s.

Chapters 6 and 7 are case studies of NED involvement in Nicaragua and China, respectively. Each presents an overview of each country's recent political and economic history and an overview of the major political and economic freedom issues faced by

each country during the 1990s. The case studies also identify the organizations that received NED funding in each country during the decade and discuss their use of NED funding.

In both Nicaragua and China during the 1990s, certain issues were considered to be the most fundamental issues impacting on political and economic freedom in each country. In Nicaragua, the issues were civilian-military relations, the rule of law, the judiciary, the media, and labor unions. In China, the issues were political parties, civil liberties, the judiciary, elections, the legislature, the media, labor unions, religion, and the rule of law. Both case studies found that a sizable amount of NED funding was being targeted at these fundamental issues.

In Chapter 2, the major debates surrounding NED were discussed. The case studies of NED activity in Nicaragua and China during the 1990s provide evidence that can help resolve many of these debates. These debates include the following: whether the U.S. should be interfering in the politics of other countries, whether NED makes its own foreign policy irrespective of official U.S. policy, whether NED promotes democracy or U.S. interests, whether NED has been successful in its efforts, and whether NED escapes proper oversight through purposefully vague documentation of its activities. One particularly important issue involves claims by NED's critics that the organization has the potential to be a "loose cannon" that may do more harm than good in the fight for freedom around the world. Both Nicaragua (in its support Violetta Chammorro in the 1989 elections) and China (in its involvement in Tibet) provide examples of this. Another important issues involves whether NED can cite any definitive

successes that justify its existence. Both case studies show that the types of activities funded by NED – education, information, mobilizing citizens, etc. – are very subjective and quantifying their impact with any degree of certainty is extremely difficult. Given this, definitive successes may be impossible to find even if NED is having a strong, positive impact.

The case studies also show that NED activity in China during the 1990s was markedly different than its activity in Nicaragua. The types of activities funded in China appear to be less intrusive and less direct than the types of activities funded in Nicaragua. This is probably a result of the differing political environments found in each country. China's government is highly intolerant to any promotion of reform, while Nicaragua's government is much more open to change. More direct approaches by NED to promoting political and economic freedom in China would likely meet with staunch opposition China's government and potentially result in negative consequences for the Chinese groups and people that are involved. This may also explain why a much higher proportion of NED funding that is awarded to China goes to groups that are active in the country, but not native to China. A less intrusive and less direct approach to promoting democracy and economic freedom would seem to have a negative impact on NED's ability to bring about change in China or any other highly repressed country.

FINAL THOUGHTS

This research does not find evidence that NED was successful at promoting democracy and economic freedom during the 1990s. Even though NED grant money appears to have been appropriately awarded to countries based on their need, the grant

money had a mixed impact on political and economic freedom and was not significantly related to either. This calls into question the wisdom of using the U.S. government's scarce resources to promote democracy and economic freedom – not only through NED, but in any similar manner.

As discussed throughout this dissertation, the activities that are supported in the promotion of democracy and free markets tend to be subjective, tend to have an indirect impact, and tend to take many years to have an impact. In highly repressed countries such as China (discussed in Chapter 7 and above), the activities can be even more subjective, more indirect, and take even more time to have an impact. Greater insight into the impact of promoting democracy and economic freedom may be gained by analyzing data over a longer period of time. However, data limitations make this a difficult task to accomplish. More years of data would allow for more of an opportunity for these subjective and indirect activities to have a measurable impact.

Without proof that the activities supported in the name promoting democracy and economic freedom are effective, it is hard to justify our involvement in the internal affairs of other countries – even if the involvement does not directly interfere in their political and economic processes. Even though many of the supported activities have a noble quality and are consistent with American ideals, why risk offending other governments when there is no evidence that our involvement has a positive impact on their political and/or economic freedom? Similar foreign involvement in the U.S. would probably not be tolerated and could jeopardize U.S. relations with the sponsoring country. The motivation behind promoting democracy and economic freedom may be admirable, but,

without proof of its efficacy, it seems to have more potential risks than benefits. This research was unable to find the proof necessary to justify its continued practice.

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APPENDIX A: NED GRANT ACTIVITY, 1990-1999

Year	Country	NED $	Grants
1990	Afghanistan	$199,870	4
1991	Afghanistan	$57,068	1
1992	Afghanistan	$61,344	1
1993	Afghanistan	$24,000	1
1994	Afghanistan	$66,000	1
1995	Afghanistan	$48,000	2
1996	Afghanistan	$48,000	2
1997	Afghanistan	$98,000	3
1998	Afghanistan	$48,000	2
1999	Afghanistan	$58,000	3
Total	Afghanistan	$708,282	20
1990	Africa	$904,193	7
1991	Africa	$1,045,541	10
1992	Africa	$963,280	11
1993	Africa	$777,648	6
1994	Africa	$950,284	6
1995	Africa	$1,091,208	11
1996	Africa	$810,076	8
1997	Africa	$649,210	6
1998	Africa	$600,663	10
1999	Africa	$550,436	6
Total	Africa	$8,342,539	81
1990	Albania	$0	0
1991	Albania	$848,136	3
1992	Albania	$100,500	1
1993	Albania	$0	0
1994	Albania	$22,616	1
1995	Albania	$132,464	3
1996	Albania	$79,010	2
1997	Albania	$0	0
1998	Albania	$47,745	2
1999	Albania	$0	0
Total	Albania	$1,230,471	12

(table continued)

Year	Country	NED $	Grants
1990	Algeria	$0	0
1991	Algeria	$0	0
1992	Algeria	$0	0
1993	Algeria	$0	0
1994	Algeria	$0	0
1995	Algeria	$0	0
1996	Algeria	$147,696	1
1997	Algeria	$50,000	1
1998	Algeria	$52,000	1
1999	Algeria	$52,000	1
Total	Algeria	$301,696	4
1990	Angola	$0	0
1991	Angola	$0	0
1992	Angola	$0	0
1993	Angola	$0	0
1994	Angola	$0	0
1995	Angola	$136,220	1
1996	Angola	$249,520	2
1997	Angola	$50,000	1
1998	Angola	$50,000	1
1999	Angola	$0	0
Total	Angola	$485,740	5
1990	Argentina	$422,500	6
1991	Argentina	$358,430	3
1992	Argentina	$186,000	2
1993	Argentina	$296,603	4
1994	Argentina	$161,145	2
1995	Argentina	$85,220	2
1996	Argentina	$0	0
1997	Argentina	$74,910	1
1998	Argentina	$0	0
1999	Argentina	$24,200	1
Total	Argentina	$1,609,008	21
1990	Armenia	$25,000	1
1991	Armenia	$0	0

(table continued)

Year	Country	NED $	Grants
1992	Armenia	$15,450	1
1993	Armenia	$25,000	1
1994	Armenia	$0	0
1995	Armenia	$91,688	1
1996	Armenia	$122,666	2
1997	Armenia	$53,733	2
1998	Armenia	$157,016	3
1999	Armenia	$386,327	8
Total	Armenia	$876,880	19
1990	Asia	$405,136	5
1991	Asia	$632,492	4
1992	Asia	$300,000	2
1993	Asia	$880,969	4
1994	Asia	$1,399,827	6
1995	Asia	$1,714,545	7
1996	Asia	$2,239,320	9
1997	Asia	$809,775	4
1998	Asia	$378,534	1
1999	Asia	$987,259	5
Total	Asia	$9,747,857	47
1990	Australia	$0	0
1991	Australia	$0	0
1992	Australia	$0	0
1993	Australia	$0	0
1994	Australia	$0	0
1995	Australia	$0	0
1996	Australia	$0	0
1997	Australia	$0	0
1998	Australia	$0	0
1999	Australia	$0	0
Total	Australia	$0	0
1990	Austria	$0	0
1991	Austria	$0	0
1992	Austria	$0	0
1993	Austria	$0	0

(table continued)

Year	Country	NED $	Grants
1994	Austria	$0	0
1995	Austria	$0	0
1996	Austria	$0	0
1997	Austria	$0	0
1998	Austria	$0	0
1999	Austria	$0	0
Total	Austria	$0	0
1990	Azerbaijan	$0	0
1991	Azerbaijan	$0	0
1992	Azerbaijan	$0	0
1993	Azerbaijan	$125,617	1
1994	Azerbaijan	$30,000	1
1995	Azerbaijan	$263,268	4
1996	Azerbaijan	$390,838	4
1997	Azerbaijan	$558,928	6
1998	Azerbaijan	$198,877	4
1999	Azerbaijan	$0	0
Total	Azerbaijan	$1,567,528	20
1990	Bahrain	$0	0
1991	Bahrain	$0	0
1992	Bahrain	$0	0
1993	Bahrain	$0	0
1994	Bahrain	$0	0
1995	Bahrain	$0	0
1996	Bahrain	$0	0
1997	Bahrain	$0	0
1998	Bahrain	$0	0
1999	Bahrain	$16,500	1
Total	Bahrain	$16,500	1
1990	Bangladesh	$0	0
1991	Bangladesh	$0	0
1992	Bangladesh	$0	0
1993	Bangladesh	$0	0
1994	Bangladesh	$0	0
1995	Bangladesh	$0	0

(table continued)

Year	Country	NED $	Grants
1996	Bangladesh	$0	0
1997	Bangladesh	$0	0
1998	Bangladesh	$0	0
1999	Bangladesh	$90,811	1
Total	Bangladesh	$90,811	1
1990	Belarus	$0	0
1991	Belarus	$0	0
1992	Belarus	$0	0
1993	Belarus	$101,170	3
1994	Belarus	$251,429	4
1995	Belarus	$242,463	3
1996	Belarus	$449,156	6
1997	Belarus	$752,967	13
1998	Belarus	$673,984	13
1999	Belarus	$909,074	20
Total	Belarus	$3,380,243	62
1990	Belgium	$0	0
1991	Belgium	$0	0
1992	Belgium	$0	0
1993	Belgium	$0	0
1994	Belgium	$0	0
1995	Belgium	$0	0
1996	Belgium	$0	0
1997	Belgium	$0	0
1998	Belgium	$0	0
1999	Belgium	$0	0
Total	Belgium	$0	0
1990	Benin	$0	0
1991	Benin	$221,070	3
1992	Benin	$0	0
1993	Benin	$0	0
1994	Benin	$116,178	2
1995	Benin	$0	0
1996	Benin	$0	0
1997	Benin	$0	0

(table continued)

Year	Country	NED $	Grants
1998	Benin	$0	0
1999	Benin	$142,000	1
Total	Benin	$479,248	6
1990	Bhutan	$0	0
1991	Bhutan	$0	0
1992	Bhutan	$0	0
1993	Bhutan	$0	0
1994	Bhutan	$0	0
1995	Bhutan	$0	0
1996	Bhutan	$0	0
1997	Bhutan	$0	0
1998	Bhutan	$0	0
1999	Bhutan	$0	0
Total	Bhutan	$0	0
1990	Bolivia	$75,000	1
1991	Bolivia	$78,005	1
1992	Bolivia	$56,800	1
1993	Bolivia	$122,404	2
1994	Bolivia	$127,800	2
1995	Bolivia	$462,433	5
1996	Bolivia	$0	0
1997	Bolivia	$0	0
1998	Bolivia	$0	0
1999	Bolivia	$0	0
Total	Bolivia	$922,442	12
1990	Bosnia	$0	0
1991	Bosnia	$0	0
1992	Bosnia	$0	0
1993	Bosnia	$0	0
1994	Bosnia	$152,000	1
1995	Bosnia	$35,000	1
1996	Bosnia	$548,746	8
1997	Bosnia	$98,400	3
1998	Bosnia	$193,282	3
1999	Bosnia	$362,760	10

(table continued)

Year	Country	NED $	Grants
Total	Bosnia	$1,390,188	26
1990	Botswana	$0	0
1991	Botswana	$160,900	2
1992	Botswana	$0	0
1993	Botswana	$80,000	1
1994	Botswana	$0	0
1995	Botswana	$0	0
1996	Botswana	$0	0
1997	Botswana	$0	0
1998	Botswana	$0	0
1999	Botswana	$0	0
Total	Botswana	$240,900	3
1990	Brazil	$583,122	3
1991	Brazil	$273,600	3
1992	Brazil	$139,885	1
1993	Brazil	$370,720	3
1994	Brazil	$352,504	3
1995	Brazil	$0	0
1996	Brazil	$105,585	2
1997	Brazil	$0	0
1998	Brazil	$0	0
1999	Brazil	$229,170	2
Total	Brazil	$2,054,586	17
1990	Bulgaria	$2,210,686	14
1991	Bulgaria	$538,786	4
1992	Bulgaria	$111,700	3
1993	Bulgaria	$334,735	3
1994	Bulgaria	$277,455	2
1995	Bulgaria	$537,636	5
1996	Bulgaria	$378,110	4
1997	Bulgaria	$275,138	4
1998	Bulgaria	$492,906	6
1999	Bulgaria	$198,953	3
Total	Bulgaria	$5,356,105	48
1990	Burkina Faso	$18,000	1

(table continued)

Year	Country	NED $	Grants
1991	Burkina Faso	$33,000	1
1992	Burkina Faso	$0	0
1993	Burkina Faso	$44,000	1
1994	Burkina Faso	$40,000	1
1995	Burkina Faso	$0	0
1996	Burkina Faso	$0	0
1997	Burkina Faso	$0	0
1998	Burkina Faso	$0	0
1999	Burkina Faso	$0	0
Total	Burkina Faso	$135,000	4
1990	Burma	$608,865	6
1991	Burma	$806,932	6
1992	Burma	$2,150,082	27
1993	Burma	$0	0
1994	Burma	$0	0
1995	Burma	$0	0
1996	Burma	$0	0
1997	Burma	$0	0
1998	Burma	$0	0
1999	Burma	$1,648,200	28
Total	Burma	$5,214,079	67
1990	Burundi	$0	0
1991	Burundi	$0	0
1992	Burundi	$75,000	1
1993	Burundi	$0	0
1994	Burundi	$0	0
1995	Burundi	$48,085	1
1996	Burundi	$0	0
1997	Burundi	$0	0
1998	Burundi	$0	0
1999	Burundi	$0	0
Total	Burundi	$123,085	2
1990	C/E Europe	$3,741,869	41
1991	C/E Europe	$1,696,050	23
1992	C/E Europe	$2,453,985	35

(table continued)

Year	Country	NED $	Grants
1993	C/E Europe	$886,875	13
1994	C/E Europe	$1,622,434	15
1995	C/E Europe	$1,503,204	18
1996	C/E Europe	$718,149	9
1997	C/E Europe	$593,020	9
1998	C/E Europe	$1,146,968	21
1999	C/E Europe	$1,815,077	16
Total	C/E Europe	$16,177,631	200
1990	Cambodia	$37,000	1
1991	Cambodia	$147,425	2
1992	Cambodia	$64,859	1
1993	Cambodia	$188,318	3
1994	Cambodia	$220,000	2
1995	Cambodia	$986,478	11
1996	Cambodia	$1,248,363	12
1997	Cambodia	$1,176,691	6
1998	Cambodia	$100,000	1
1999	Cambodia	$413,899	7
Total	Cambodia	$4,583,033	46
1990	Cameroon	$0	0
1991	Cameroon	$0	0
1992	Cameroon	$0	0
1993	Cameroon	$0	0
1994	Cameroon	$0	0
1995	Cameroon	$0	0
1996	Cameroon	$0	0
1997	Cameroon	$77,629	1
1998	Cameroon	$0	0
1999	Cameroon	$88,330	1
Total	Cameroon	$165,959	2
1990	Canada	$0	0
1991	Canada	$0	0
1992	Canada	$0	0
1993	Canada	$0	0
1994	Canada	$0	0

(table continued)

Year	Country	NED $	Grants
1995	Canada	$0	0
1996	Canada	$0	0
1997	Canada	$0	0
1998	Canada	$0	0
1999	Canada	$0	0
Total	Canada	$0	0
1990	Central African Rep.	$0	0
1991	Central African Rep.	$0	0
1992	Central African Rep.	$0	0
1993	Central African Rep.	$0	0
1994	Central African Rep.	$0	0
1995	Central African Rep.	$0	0
1996	Central African Rep.	$0	0
1997	Central African Rep.	$0	0
1998	Central African Rep.	$0	0
1999	Central African Rep.	$150,000	1
Total	Central African Rep.	$150,000	1
1990	Chad	$0	0
1991	Chad	$0	0
1992	Chad	$0	0
1993	Chad	$0	0
1994	Chad	$48,000	2
1995	Chad	$51,635	2
1996	Chad	$0	0
1997	Chad	$48,000	2
1998	Chad	$18,000	1
1999	Chad	$30,000	1
Total	Chad	$195,635	8
1990	Chile	$317,000	4
1991	Chile	$545,200	7
1992	Chile	$132,500	2
1993	Chile	$76,000	2
1994	Chile	$60,000	1
1995	Chile	$0	0
1996	Chile	$0	0

(table continued)

Year	Country	NED $	Grants
1997	Chile	$0	0
1998	Chile	$0	0
1999	Chile	$0	0
Total	Chile	$1,130,700	16
1990	China	$403,750	7
1991	China	$579,537	10
1992	China	$409,000	8
1993	China	$1,791,011	27
1994	China	$1,866,835	23
1995	China	$2,276,516	28
1996	China	$3,856,228	29
1997	China	$3,308,026	30
1998	China	$3,859,193	40
1999	China	$2,649,133	20
Total	China	$20,999,229	222
1990	Colombia	$112,842	2
1991	Colombia	$225,000	4
1992	Colombia	$160,000	2
1993	Colombia	$90,000	1
1994	Colombia	$200,000	3
1995	Colombia	$189,255	3
1996	Colombia	$235,800	4
1997	Colombia	$261,140	4
1998	Colombia	$367,706	7
1999	Colombia	$428,085	7
Total	Colombia	$2,269,828	37
1990	Comoros	$0	0
1991	Comoros	$0	0
1992	Comoros	$0	0
1993	Comoros	$0	0
1994	Comoros	$0	0
1995	Comoros	$0	0
1996	Comoros	$0	0
1997	Comoros	$0	0
1998	Comoros	$0	0

(table continued)

Year	Country	NED $	Grants
1999	Comoros	$0	0
Total	Comoros	$0	0
1990	Congo	$0	0
1991	Congo	$0	0
1992	Congo	$0	0
1993	Congo	$0	0
1994	Congo	$0	0
1995	Congo	$24,000	1
1996	Congo	$30,000	1
1997	Congo	$30,000	1
1998	Congo	$60,000	1
1999	Congo	$30,000	1
Total	Congo	$174,000	5
1990	Costa Rica	$75,000	1
1991	Costa Rica	$0	0
1992	Costa Rica	$0	0
1993	Costa Rica	$0	0
1994	Costa Rica	$0	0
1995	Costa Rica	$0	0
1996	Costa Rica	$0	0
1997	Costa Rica	$0	0
1998	Costa Rica	$0	0
1999	Costa Rica	$0	0
Total	Costa Rica	$75,000	1
1991	Croatia	$0	0
1992	Croatia	$0	0
1993	Croatia	$57,555	2
1994	Croatia	$256,276	4
1995	Croatia	$401,652	2
1996	Croatia	$29,900	1
1997	Croatia	$65,000	2
1998	Croatia	$30,000	1
1999	Croatia	$272,327	5
Total	Croatia	$1,112,710	17
1990	Cuba	$180,000	4

(table continued)

Year	Country	NED $	Grants
1991	Cuba	$462,132	7
1992	Cuba	$655,643	13
1993	Cuba	$520,100	9
1994	Cuba	$577,965	8
1995	Cuba	$873,563	9
1996	Cuba	$719,780	8
1997	Cuba	$565,257	7
1998	Cuba	$409,000	7
1999	Cuba	$744,453	9
Total	Cuba	$5,707,893	81
1990	Cyprus	$0	0
1991	Cyprus	$0	0
1992	Cyprus	$0	0
1993	Cyprus	$0	0
1994	Cyprus	$0	0
1995	Cyprus	$0	0
1996	Cyprus	$0	0
1997	Cyprus	$0	0
1998	Cyprus	$0	0
1999	Cyprus	$0	0
Total	Cyprus	$0	0
1993	Czech Republic	$171,060	2
1994	Czech Republic	$398,574	2
1995	Czech Republic	$199,386	1
1996	Czech Republic	$0	0
1997	Czech Republic	$0	0
1998	Czech Republic	$0	0
1999	Czech Republic	$0	0
Total	Czech Republic	$769,020	5
1990	Czechoslovakia	$0	0
1991	Czechoslovakia	$0	0
1992	Czechoslovakia	$0	0
Total	Czechoslovakia	$0	0
1990	Dem. Rep. Vietnam	$70,000	2
1991	Dem. Rep. Vietnam	$197,000	2

(table continued)

Year	Country	NED $	Grants
1992	Dem. Rep. Vietnam	$79,800	1
1993	Dem. Rep. Vietnam	$287,501	5
1994	Dem. Rep. Vietnam	$565,770	5
1995	Dem. Rep. Vietnam	$354,533	4
1996	Dem. Rep. Vietnam	$90,000	1
1997	Dem. Rep. Vietnam	$269,611	3
1998	Dem. Rep. Vietnam	$227,255	3
1999	Dem. Rep. Vietnam	$140,703	3
Total	Dem. Rep. Vietnam	$2,282,173	29
1990	Denmark	$0	0
1991	Denmark	$0	0
1992	Denmark	$0	0
1993	Denmark	$0	0
1994	Denmark	$0	0
1995	Denmark	$0	0
1996	Denmark	$0	0
1997	Denmark	$0	0
1998	Denmark	$0	0
1999	Denmark	$0	0
Total	Denmark	$0	0
1990	Dijibouti	$0	0
1991	Dijibouti	$0	0
1992	Dijibouti	$0	0
1993	Dijibouti	$0	0
1994	Dijibouti	$0	0
1995	Dijibouti	$0	0
1996	Dijibouti	$0	0
1997	Dijibouti	$0	0
1998	Dijibouti	$0	0
1999	Dijibouti	$0	0
Total	Dijibouti	$0	0
1990	Dominican Republic	$40,000	1
1991	Dominican Republic	$40,000	1
1992	Dominican Republic	$42,000	1
1993	Dominican Republic	$0	0

(table continued)

Year	Country	NED $	Grants
1994	Dominican Republic	$0	0
1995	Dominican Republic	$150,385	2
1996	Dominican Republic	$0	0
1997	Dominican Republic	$0	0
1998	Dominican Republic	$0	0
1999	Dominican Republic	$0	0
Total	Dominican Republic	$272,385	5
1990	Ecuador	$151,550	3
1991	Ecuador	$25,000	1
1992	Ecuador	$164,500	3
1993	Ecuador	$0	0
1994	Ecuador	$110,000	2
1995	Ecuador	$142,500	2
1996	Ecuador	$85,000	1
1997	Ecuador	$93,775	1
1998	Ecuador	$0	0
1999	Ecuador	$48,376	1
Total	Ecuador	$820,701	14
1990	Egypt	$0	0
1991	Egypt	$0	0
1992	Egypt	$0	0
1993	Egypt	$93,669	1
1994	Egypt	$45,000	1
1995	Egypt	$56,584	1
1996	Egypt	$249,061	6
1997	Egypt	$353,254	5
1998	Egypt	$496,255	6
1999	Egypt	$288,067	6
Total	Egypt	$1,581,890	26
1990	El Salvador	$75,000	1
1991	El Salvador	$157,000	3
1992	El Salvador	$155,000	2
1993	El Salvador	$0	0
1994	El Salvador	$91,688	1
1995	El Salvador	$0	0

(table continued)

Year	Country	NED $	Grants
1996	El Salvador	$0	0
1997	El Salvador	$80,432	1
1998	El Salvador	$0	0
1999	El Salvador	$0	0
Total	El Salvador	$559,120	8
1990	Equatorial Guinea	$0	0
1991	Equatorial Guinea	$0	0
1992	Equatorial Guinea	$0	0
1993	Equatorial Guinea	$0	0
1994	Equatorial Guinea	$0	0
1995	Equatorial Guinea	$0	0
1996	Equatorial Guinea	$0	0
1997	Equatorial Guinea	$0	0
1998	Equatorial Guinea	$0	0
1999	Equatorial Guinea	$0	0
Total	Equatorial Guinea	$0	0
1991	Eritrea	$0	0
1992	Eritrea	$0	0
1993	Eritrea	$53,000	1
1994	Eritrea	$0	0
1995	Eritrea	$0	0
1996	Eritrea	$0	0
1997	Eritrea	$0	0
1998	Eritrea	$0	0
1999	Eritrea	$0	0
Total	Eritrea	$53,000	1
1990	Estonia	$35,000	2
1991	Estonia	$0	0
1992	Estonia	$16,852	1
1993	Estonia	$0	0
1994	Estonia	$39,271	1
1995	Estonia	$107,527	2
1996	Estonia	$29,993	1
1997	Estonia	$87,843	4
1998	Estonia	$0	0

(table continued)

Year	Country	NED $	Grants
1999	Estonia	$31,000	2
Total	Estonia	$347,486	13
1990	Ethiopia	$0	0
1991	Ethiopia	$109,913	3
1992	Ethiopia	$216,446	6
1993	Ethiopia	$24,950	1
1994	Ethiopia	$136,185	4
1995	Ethiopia	$25,000	1
1996	Ethiopia	$96,052	1
1997	Ethiopia	$48,000	2
1998	Ethiopia	$214,085	5
1999	Ethiopia	$49,630	2
Total	Ethiopia	$920,261	25
1990	Fiji	$0	0
1991	Fiji	$0	0
1992	Fiji	$0	0
1993	Fiji	$0	0
1994	Fiji	$0	0
1995	Fiji	$0	0
1996	Fiji	$0	0
1997	Fiji	$0	0
1998	Fiji	$0	0
1999	Fiji	$0	0
Total	Fiji	$0	0
1990	Finland	$0	0
1991	Finland	$0	0
1992	Finland	$0	0
1993	Finland	$0	0
1994	Finland	$0	0
1995	Finland	$0	0
1996	Finland	$0	0
1997	Finland	$0	0
1998	Finland	$0	0
1999	Finland	$0	0
Total	Finland	$0	0

(table continued)

Year	Country	NED $	Grants
1990	France	$0	0
1991	France	$0	0
1992	France	$0	0
1993	France	$0	0
1994	France	$0	0
1995	France	$0	0
1996	France	$0	0
1997	France	$0	0
1998	France	$0	0
1999	France	$0	0
Total	France	$0	0
1990	Gambia	$0	0
1991	Gambia	$0	0
1992	Gambia	$0	0
1993	Gambia	$0	0
1994	Gambia	$0	0
1995	Gambia	$0	0
1996	Gambia	$47,665	1
1997	Gambia	$0	0
1998	Gambia	$0	0
1999	Gambia	$0	0
Total	Gambia	$47,665	1
1991	Georgia	$25,000	1
1992	Georgia	$0	0
1993	Georgia	$27,500	1
1994	Georgia	$55,000	1
1995	Georgia	$55,000	1
1996	Georgia	$27,237	1
1997	Georgia	$0	0
1998	Georgia	$69,115	1
1999	Georgia	$156,239	5
Total	Georgia	$415,091	11
1990	Germany	$0	0
1991	Germany	$0	0
1992	Germany	$0	0

(table continued)

Year	Country	NED $	Grants
1993	Germany	$0	0
1994	Germany	$0	0
1995	Germany	$0	0
1996	Germany	$0	0
1997	Germany	$0	0
1998	Germany	$0	0
1999	Germany	$0	0
Total	Germany	$0	0
1990	Ghana	$0	0
1991	Ghana	$40,000	1
1992	Ghana	$149,460	2
1993	Ghana	$0	0
1994	Ghana	$125,548	1
1995	Ghana	$145,925	2
1996	Ghana	$56,220	2
1997	Ghana	$159,375	2
1998	Ghana	$21,560	1
1999	Ghana	$0	0
Total	Ghana	$698,088	11
1990	Greece	$0	0
1991	Greece	$0	0
1992	Greece	$0	0
1993	Greece	$0	0
1994	Greece	$0	0
1995	Greece	$0	0
1996	Greece	$0	0
1997	Greece	$0	0
1998	Greece	$0	0
1999	Greece	$0	0
Total	Greece	$0	0
1990	Grenada	$0	0
1991	Grenada	$28,000	1
1992	Grenada	$22,000	1
1993	Grenada	$0	0
1994	Grenada	$0	0

(table continued)

Year	Country	NED $	Grants
1995	Grenada	$0	0
1996	Grenada	$0	0
1997	Grenada	$0	0
1998	Grenada	$0	0
1999	Grenada	$0	0
Total	Grenada	$50,000	2
1990	Guatemala	$262,000	5
1991	Guatemala	$186,000	3
1992	Guatemala	$156,850	3
1993	Guatemala	$0	0
1994	Guatemala	$275,450	5
1995	Guatemala	$224,260	3
1996	Guatemala	$380,311	5
1997	Guatemala	$166,468	3
1998	Guatemala	$318,531	3
1999	Guatemala	$293,837	2
Total	Guatemala	$2,263,707	32
1990	Guinea	$0	0
1991	Guinea	$0	0
1992	Guinea	$24,750	1
1993	Guinea	$0	0
1994	Guinea	$0	0
1995	Guinea	$0	0
1996	Guinea	$0	0
1997	Guinea	$0	0
1998	Guinea	$0	0
1999	Guinea	$22,668	1
Total	Guinea	$47,418	2
1990	Guinea Bissau	$0	0
1991	Guinea Bissau	$0	0
1992	Guinea Bissau	$0	0
1993	Guinea Bissau	$0	0
1994	Guinea Bissau	$0	0
1995	Guinea Bissau	$0	0
1996	Guinea Bissau	$0	0

(table continued)

Year	Country	NED $	Grants
1997	Guinea Bissau	$0	0
1998	Guinea Bissau	$0	0
1999	Guinea Bissau	$0	0
Total	Guinea Bissau	$0	0
1990	Guyana	$0	0
1991	Guyana	$0	0
1992	Guyana	$0	0
1993	Guyana	$0	0
1994	Guyana	$0	0
1995	Guyana	$90,496	1
1996	Guyana	$0	0
1997	Guyana	$0	0
1998	Guyana	$0	0
1999	Guyana	$0	0
Total	Guyana	$90,496	1
1990	Haiti	$1,234,000	7
1991	Haiti	$40,000	1
1992	Haiti	$0	0
1993	Haiti	$0	0
1994	Haiti	$0	0
1995	Haiti	$178,343	2
1996	Haiti	$162,041	1
1997	Haiti	$431,477	3
1998	Haiti	$148,476	3
1999	Haiti	$0	0
Total	Haiti	$2,194,337	17
1990	Honduras	$0	0
1991	Honduras	$0	0
1992	Honduras	$0	0
1993	Honduras	$0	0
1994	Honduras	$0	0
1995	Honduras	$0	0
1996	Honduras	$0	0
1997	Honduras	$0	0
1998	Honduras	$0	0

(table continued)

Year	Country	NED $	Grants
1999	Honduras	$0	0
Total	Honduras	$0	0
1990	Hungary	$897,461	9
1991	Hungary	$671,585	7
1992	Hungary	$569,480	4
1993	Hungary	$806,145	6
1994	Hungary	$248,650	2
1995	Hungary	$310,543	4
1996	Hungary	$88,617	2
1997	Hungary	$0	0
1998	Hungary	$0	0
1999	Hungary	$0	0
Total	Hungary	$3,592,481	34
1990	Iceland	$0	0
1991	Iceland	$0	0
1992	Iceland	$0	0
1993	Iceland	$0	0
1994	Iceland	$0	0
1995	Iceland	$0	0
1996	Iceland	$0	0
1997	Iceland	$0	0
1998	Iceland	$0	0
1999	Iceland	$0	0
Total	Iceland	$0	0
1990	India	$42,000	1
1991	India	$42,000	1
1992	India	$26,500	1
1993	India	$127,035	2
1994	India	$0	0
1995	India	$0	0
1996	India	$0	0
1997	India	$0	0
1998	India	$0	0
1999	India	$0	0
Total	India	$237,535	5

(table continued)

Year	Country	NED $	Grants
1990	Indonesia	$86,319	1
1991	Indonesia	$58,050	1
1992	Indonesia	$54,739	1
1993	Indonesia	$0	0
1994	Indonesia	$89,000	2
1995	Indonesia	$99,618	1
1996	Indonesia	$301,705	2
1997	Indonesia	$485,706	3
1998	Indonesia	$408,838	2
1999	Indonesia	$133,120	2
Total	Indonesia	$1,717,095	15
1990	Iran	$0	0
1991	Iran	$50,000	1
1992	Iran	$60,620	1
1993	Iran	$121,240	2
1994	Iran	$60,620	1
1995	Iran	$50,000	1
1996	Iran	$25,000	1
1997	Iran	$0	0
1998	Iran	$0	0
1999	Iran	$0	0
Total	Iran	$367,480	7
1990	Iraq	$0	0
1991	Iraq	$50,000	1
1992	Iraq	$101,920	2
1993	Iraq	$140,000	2
1994	Iraq	$126,360	2
1995	Iraq	$145,000	2
1996	Iraq	$105,600	2
1997	Iraq	$90,000	1
1998	Iraq	$112,000	1
1999	Iraq	$114,750	2
Total	Iraq	$985,630	15
1990	Ireland	$0	0
1991	Ireland	$0	0

(table continued)

Year	Country	NED $	Grants
1992	Ireland	$0	0
1993	Ireland	$0	0
1994	Ireland	$0	0
1995	Ireland	$0	0
1996	Ireland	$0	0
1997	Ireland	$0	0
1998	Ireland	$0	0
1999	Ireland	$0	0
Total	Ireland	$0	0
1990	Israel	$0	0
1991	Israel	$0	0
1992	Israel	$0	0
1993	Israel	$0	0
1994	Israel	$0	0
1995	Israel	$0	0
1996	Israel	$0	0
1997	Israel	$0	0
1998	Israel	$0	0
1999	Israel	$0	0
Total	Israel	$0	0
1990	Italy	$0	0
1991	Italy	$0	0
1992	Italy	$0	0
1993	Italy	$0	0
1994	Italy	$0	0
1995	Italy	$0	0
1996	Italy	$0	0
1997	Italy	$0	0
1998	Italy	$0	0
1999	Italy	$0	0
Total	Italy	$0	0
1990	Ivory Coast	$0	0
1991	Ivory Coast	$0	0
1992	Ivory Coast	$0	0
1993	Ivory Coast	$31,200	1

(table continued)

Year	Country	NED $	Grants
1994	Ivory Coast	$134,496	2
1995	Ivory Coast	$36,000	1
1996	Ivory Coast	$36,000	1
1997	Ivory Coast	$52,940	2
1998	Ivory Coast	$0	0
1999	Ivory Coast	$64,100	2
Total	Ivory Coast	$354,736	9
1990	Jamaica	$0	0
1991	Jamaica	$0	0
1992	Jamaica	$0	0
1993	Jamaica	$0	0
1994	Jamaica	$0	0
1995	Jamaica	$0	0
1996	Jamaica	$0	0
1997	Jamaica	$0	0
1998	Jamaica	$0	0
1999	Jamaica	$0	0
Total	Jamaica	$0	0
1990	Japan	$0	0
1991	Japan	$0	0
1992	Japan	$0	0
1993	Japan	$0	0
1994	Japan	$0	0
1995	Japan	$0	0
1996	Japan	$0	0
1997	Japan	$0	0
1998	Japan	$0	0
1999	Japan	$0	0
Total	Japan	$0	0
1990	Jordan	$0	0
1991	Jordan	$0	0
1992	Jordan	$0	0
1993	Jordan	$76,798	2
1994	Jordan	$267,460	3
1995	Jordan	$266,349	5

(table continued)

Year	Country	NED $	Grants
1996	Jordan	$360,848	5
1997	Jordan	$217,372	3
1998	Jordan	$383,648	5
1999	Jordan	$110,000	3
Total	Jordan	$1,682,475	26
1991	Kazakhstan	$0	0
1992	Kazakhstan	$0	0
1993	Kazakhstan	$0	0
1994	Kazakhstan	$416,316	3
1995	Kazakhstan	$406,421	4
1996	Kazakhstan	$127,650	5
1997	Kazakhstan	$100,184	4
1998	Kazakhstan	$359,501	3
1999	Kazakhstan	$148,051	1
Total	Kazakhstan	$1,558,123	20
1990	Kenya	$0	0
1991	Kenya	$60,000	2
1992	Kenya	$169,990	3
1993	Kenya	$316,868	6
1994	Kenya	$429,911	6
1995	Kenya	$335,350	4
1996	Kenya	$239,681	1
1997	Kenya	$287,331	2
1998	Kenya	$441,588	4
1999	Kenya	$0	0
Total	Kenya	$2,280,719	28
1993	Kosovo	$0	0
1994	Kosovo	$0	0
1995	Kosovo	$0	0
1996	Kosovo	$0	0
1997	Kosovo	$0	0
1998	Kosovo	$0	0
1999	Kosovo	$459,000	7
Total	Kosovo	$459,000	7
1990	Kuwait	$0	0

(table continued)

Year	Country	NED $	Grants
1991	Kuwait	$138,000	4
1992	Kuwait	$150,000	1
1993	Kuwait	$0	0
1994	Kuwait	$66,731	1
1995	Kuwait	$102,710	1
1996	Kuwait	$100,533	1
1997	Kuwait	$0	0
1998	Kuwait	$0	0
1999	Kuwait	$0	0
Total	Kuwait	$557,974	8
1991	Kyrgyzstan	$0	0
1992	Kyrgyzstan	$0	0
1993	Kyrgyzstan	$0	0
1994	Kyrgyzstan	$88,152	1
1995	Kyrgyzstan	$15,400	1
1996	Kyrgyzstan	$85,955	4
1997	Kyrgyzstan	$106,720	5
1998	Kyrgyzstan	$175,461	4
1999	Kyrgyzstan	$64,204	3
Total	Kyrgyzstan	$535,892	18
1990	Laos	$0	0
1991	Laos	$35,000	1
1992	Laos	$41,175	1
1993	Laos	$40,000	1
1994	Laos	$35,000	1
1995	Laos	$0	0
1996	Laos	$0	0
1997	Laos	$0	0
1998	Laos	$0	0
1999	Laos	$0	0
Total	Laos	$151,175	4
1990	Latin Am./Caribbean	$941,850	9
1991	Latin Am./Caribbean	$968,240	7
1992	Latin Am./Caribbean	$860,359	8
1993	Latin Am./Caribbean	$882,329	6

(table continued)

Year	Country	NED $	Grants
1994	Latin Am./Caribbean	$1,109,216	7
1995	Latin Am./Caribbean	$654,397	5
1996	Latin Am./Caribbean	$1,014,369	7
1997	Latin Am./Caribbean	$1,018,116	6
1998	Latin Am./Caribbean	$133,437	3
1999	Latin Am./Caribbean	$567,379	5
Total	Latin Am./Caribbean	$8,149,692	63
1990	Latvia	$30,000	1
1991	Latvia	$45,000	1
1992	Latvia	$65,000	2
1993	Latvia	$0	0
1994	Latvia	$50,000	1
1995	Latvia	$50,000	1
1996	Latvia	$125,187	2
1997	Latvia	$95,000	3
1998	Latvia	$0	0
1999	Latvia	$20,000	1
Total	Latvia	$480,187	12
1990	Lebanon	$0	0
1991	Lebanon	$26,100	1
1992	Lebanon	$0	0
1993	Lebanon	$115,000	2
1994	Lebanon	$90,000	2
1995	Lebanon	$228,291	5
1996	Lebanon	$80,000	2
1997	Lebanon	$114,500	3
1998	Lebanon	$131,670	3
1999	Lebanon	$283,467	3
Total	Lebanon	$1,069,028	21
1990	Lesotho	$0	0
1991	Lesotho	$0	0
1992	Lesotho	$0	0
1993	Lesotho	$0	0
1994	Lesotho	$0	0
1995	Lesotho	$0	0

(table continued)

Year	Country	NED $	Grants
1996	Lesotho	$0	0
1997	Lesotho	$0	0
1998	Lesotho	$0	0
1999	Lesotho	$0	0
Total	Lesotho	$0	0
1990	Liberia	$0	0
1991	Liberia	$0	0
1992	Liberia	$0	0
1993	Liberia	$0	0
1994	Liberia	$0	0
1995	Liberia	$0	0
1996	Liberia	$0	0
1997	Liberia	$0	0
1998	Liberia	$0	0
1999	Liberia	$232,100	8
Total	Liberia	$232,100	8
1990	Libya	$0	0
1991	Libya	$44,000	2
1992	Libya	$72,350	2
1993	Libya	$71,850	1
1994	Libya	$139,000	5
1995	Libya	$190,000	5
1996	Libya	$172,200	5
1997	Libya	$224,900	7
1998	Libya	$122,000	4
1999	Libya	$122,000	4
Total	Libya	$1,158,300	35
1990	Lithuania	$35,000	1
1991	Lithuania	$50,000	2
1992	Lithuania	$0	0
1993	Lithuania	$0	0
1994	Lithuania	$579,141	1
1995	Lithuania	$156,121	3
1996	Lithuania	$261,355	2
1997	Lithuania	$670,396	4

(table continued)

Year	Country	NED $	Grants
1998	Lithuania	$391,718	3
1999	Lithuania	$269,967	3
Total	Lithuania	$2,413,698	19
1990	Luxembourg	$0	0
1991	Luxembourg	$0	0
1992	Luxembourg	$0	0
1993	Luxembourg	$0	0
1994	Luxembourg	$0	0
1995	Luxembourg	$0	0
1996	Luxembourg	$0	0
1997	Luxembourg	$0	0
1998	Luxembourg	$0	0
1999	Luxembourg	$0	0
Total	Luxembourg	$0	0
1990	Macedonia	$0	0
1991	Macedonia	$0	0
1992	Macedonia	$0	0
1993	Macedonia	$79,194	1
1994	Macedonia	$100,000	1
1995	Macedonia	$100,000	1
1996	Macedonia	$40,000	1
1997	Macedonia	$232,211	1
1998	Macedonia	$22,000	1
1999	Macedonia	$304,375	5
Total	Macedonia	$877,780	11
1990	Madagascar	$0	0
1991	Madagascar	$0	0
1992	Madagascar	$0	0
1993	Madagascar	$0	0
1994	Madagascar	$0	0
1995	Madagascar	$0	0
1996	Madagascar	$0	0
1997	Madagascar	$0	0
1998	Madagascar	$0	0
1999	Madagascar	$0	0

(table continued)

Year	Country	NED $	Grants
Total	Madagascar	$0	0
1990	Malawi	$0	0
1991	Malawi	$0	0
1992	Malawi	$53,990	2
1993	Malawi	$0	0
1994	Malawi	$0	0
1995	Malawi	$6,683	1
1996	Malawi	$283,194	3
1997	Malawi	$0	0
1998	Malawi	$187,199	2
1999	Malawi	$0	0
Total	Malawi	$531,066	8
1990	Malaysia	$0	0
1991	Malaysia	$94,493	1
1992	Malaysia	$0	0
1993	Malaysia	$0	0
1994	Malaysia	$0	0
1995	Malaysia	$0	0
1996	Malaysia	$0	0
1997	Malaysia	$0	0
1998	Malaysia	$0	0
1999	Malaysia	$203,388	2
Total	Malaysia	$297,881	3
1990	Mali	$0	0
1991	Mali	$0	0
1992	Mali	$44,000	1
1993	Mali	$40,000	1
1994	Mali	$75,200	1
1995	Mali	$55,000	1
1996	Mali	$50,000	1
1997	Mali	$0	0
1998	Mali	$50,000	1
1999	Mali	$45,000	1
Total	Mali	$359,200	7
1990	Mauritania	$0	0

(table continued)

Year	Country	NED $	Grants
1991	Mauritania	$0	0
1992	Mauritania	$0	0
1993	Mauritania	$0	0
1994	Mauritania	$0	0
1995	Mauritania	$0	0
1996	Mauritania	$0	0
1997	Mauritania	$0	0
1998	Mauritania	$0	0
1999	Mauritania	$0	0
Total	Mauritania	$0	0
1990	Mauritius	$0	0
1991	Mauritius	$0	0
1992	Mauritius	$0	0
1993	Mauritius	$0	0
1994	Mauritius	$0	0
1995	Mauritius	$0	0
1996	Mauritius	$0	0
1997	Mauritius	$0	0
1998	Mauritius	$0	0
1999	Mauritius	$0	0
Total	Mauritius	$0	0
1990	Mexico	$834,740	12
1991	Mexico	$95,000	1
1992	Mexico	$381,780	5
1993	Mexico	$0	0
1994	Mexico	$898,090	10
1995	Mexico	$694,483	7
1996	Mexico	$358,512	5
1997	Mexico	$1,103,450	8
1998	Mexico	$714,354	8
1999	Mexico	$293,000	5
Total	Mexico	$5,373,409	61
1990	Middle East	$0	0
1991	Middle East	$122,353	2
1992	Middle East	$141,443	2

(table continued)

Year	Country	NED $	Grants
1993	Middle East	$367,268	7
1994	Middle East	$1,623,318	20
1995	Middle East	$1,349,096	18
1996	Middle East	$1,361,898	22
1997	Middle East	$1,130,704	17
1998	Middle East	$1,083,279	14
1999	Middle East	$1,344,903	14
Total	Middle East	$8,524,262	116
1990	Moldova	$0	0
1991	Moldova	$0	0
1992	Moldova	$0	0
1993	Moldova	$0	0
1994	Moldova	$25,000	1
1995	Moldova	$25,000	1
1996	Moldova	$0	0
1997	Moldova	$0	0
1998	Moldova	$0	0
1999	Moldova	$0	0
Total	Moldova	$50,000	2
1990	Mongolia	$0	0
1991	Mongolia	$65,453	2
1992	Mongolia	$173,030	3
1993	Mongolia	$108,828	2
1994	Mongolia	$134,073	1
1995	Mongolia	$15,050	1
1996	Mongolia	$182,132	2
1997	Mongolia	$35,000	1
1998	Mongolia	$69,650	2
1999	Mongolia	$48,545	1
Total	Mongolia	$831,761	15
1993	Montenegro	$0	0
1994	Montenegro	$0	0
1995	Montenegro	$0	0
1996	Montenegro	$0	0
1997	Montenegro	$0	0

(table continued)

Year	Country	NED $	Grants
1998	Montenegro	$0	0
1999	Montenegro	$337,580	5
Total	Montenegro	$337,580	5
1990	Morocco	$0	0
1991	Morocco	$0	0
1992	Morocco	$0	0
1993	Morocco	$40,370	1
1994	Morocco	$138,263	3
1995	Morocco	$137,037	2
1996	Morocco	$256,954	2
1997	Morocco	$90,000	2
1998	Morocco	$291,644	4
1999	Morocco	$60,000	1
Total	Morocco	$1,014,268	15
1990	Mozambique	$0	0
1991	Mozambique	$60,000	1
1993	Mozambique	$152,786	3
1994	Mozambique	$0	0
1995	Mozambique	$25,596	1
1996	Mozambique	$20,000	1
1997	Mozambique	$0	0
1998	Mozambique	$0	0
1999	Mozambique	$0	0
Total	Mozambique	$258,382	6
1990	Multi-Region	$608,865	6
1991	Multi-Region	$1,097,427	8
1992	Multi-Region	$1,227,916	10
1993	Multi-Region	$1,514,880	8
1994	Multi-Region	$1,307,675	8
1995	Multi-Region	$1,604,426	10
1996	Multi-Region	$1,377,673	14
1997	Multi-Region	$757,667	8
1998	Multi-Region	$1,434,922	9
1999	Multi-Region	$0	0
Total	Multi-Region	$10,931,451	81

(table continued)

Year	Country	NED $	Grants
1990	Namibia	$135,892	3
1991	Namibia	$152,168	4
1992	Namibia	$24,999	1
1993	Namibia	$35,000	1
1994	Namibia	$231,636	3
1995	Namibia	$40,000	1
1996	Namibia	$0	0
1997	Namibia	$20,000	1
1998	Namibia	$0	0
1999	Namibia	$0	0
Total	Namibia	$639,695	14
1990	Nepal	$8,000	1
1991	Nepal	$0	0
1992	Nepal	$7,000	1
1993	Nepal	$0	0
1994	Nepal	$170,000	1
1995	Nepal	$210,864	2
1996	Nepal	$0	0
1997	Nepal	$151,799	1
1998	Nepal	$101,000	1
1999	Nepal	$100,000	1
Total	Nepal	$748,663	8
1990	Netherlands	$0	0
1991	Netherlands	$0	0
1992	Netherlands	$0	0
1993	Netherlands	$0	0
1994	Netherlands	$0	0
1995	Netherlands	$0	0
1996	Netherlands	$0	0
1997	Netherlands	$0	0
1998	Netherlands	$0	0
1999	Netherlands	$0	0
Total	Netherlands	$0	0
1990	New Zealand	$0	0
1991	New Zealand	$0	0

(table continued)

Year	Country	NED $	Grants
1992	New Zealand	$0	0
1993	New Zealand	$0	0
1994	New Zealand	$0	0
1995	New Zealand	$0	0
1996	New Zealand	$0	0
1997	New Zealand	$0	0
1998	New Zealand	$0	0
1999	New Zealand	$0	0
Total	New Zealand	$0	0
1990	Newly Independent Sts.	$1,271,807	20
1991	Newly Independent Sts.	$1,272,500	6
1992	Newly Independent Sts.	$2,581,080	17
1993	Newly Independent Sts.	$1,529,718	14
1994	Newly Independent Sts.	$789,233	10
1995	Newly Independent Sts.	$428,764	6
1996	Newly Independent Sts.	$237,664	5
1997	Newly Independent Sts.	$194,235	4
1998	Newly Independent Sts.	$388,601	5
1999	Newly Independent Sts.	$629,763	9
Total	Newly Independent Sts.	$9,323,365	96
1990	Nicaragua	$1,309,329	9
1991	Nicaragua	$750,130	10
1992	Nicaragua	$1,278,034	10
1993	Nicaragua	$998,491	6
1994	Nicaragua	$1,218,532	8
1995	Nicaragua	$697,739	8
1996	Nicaragua	$393,634	4
1997	Nicaragua	$174,320	3
1998	Nicaragua	$312,396	2
1999	Nicaragua	$409,358	3
Total	Nicaragua	$7,541,963	63
1990	Niger	$0	0
1991	Niger	$0	0
1992	Niger	$0	0
1993	Niger	$0	0

(table continued)

Year	Country	NED $	Grants
1994	Niger	$0	0
1995	Niger	$0	0
1996	Niger	$35,000	1
1997	Niger	$0	0
1998	Niger	$129,105	2
1999	Niger	$228,385	2
Total	Niger	$392,490	5
1990	Nigeria	$88,665	3
1991	Nigeria	$200,873	4
1992	Nigeria	$205,895	5
1993	Nigeria	$258,800	5
1994	Nigeria	$206,455	3
1995	Nigeria	$400,113	9
1996	Nigeria	$470,056	11
1997	Nigeria	$1,024,953	16
1998	Nigeria	$1,089,978	21
1999	Nigeria	$617,218	16
Total	Nigeria	$4,563,006	93
1990	Norway	$0	0
1991	Norway	$0	0
1992	Norway	$0	0
1993	Norway	$0	0
1994	Norway	$0	0
1995	Norway	$0	0
1996	Norway	$0	0
1997	Norway	$0	0
1998	Norway	$0	0
1999	Norway	$0	0
Total	Norway	$0	0
1990	Oman	$0	0
1991	Oman	$0	0
1992	Oman	$0	0
1993	Oman	$69,506	1
1994	Oman	$0	0
1995	Oman	$0	0

(table continued)

Year	Country	NED $	Grants
1996	Oman	$0	0
1997	Oman	$0	0
1998	Oman	$0	0
1999	Oman	$0	0
Total	Oman	$69,506	1
1990	Other	$0	0
1991	Other	$0	0
1992	Other	$0	0
1993	Other	$0	0
1994	Other	$0	0
1995	Other	$0	0
1996	Other	$0	0
1997	Other	$0	0
1998	Other	$0	0
1999	Other	$0	0
Total	Other	$0	0
1990	Pakistan	$217,889	2
1991	Pakistan	$27,220	1
1992	Pakistan	$68,999	1
1993	Pakistan	$0	0
1994	Pakistan	$0	0
1995	Pakistan	$0	0
1996	Pakistan	$0	0
1997	Pakistan	$0	0
1998	Pakistan	$0	0
1999	Pakistan	$137,615	1
Total	Pakistan	$451,723	5
1990	Panama	$164,923	2
1991	Panama	$121,000	2
1992	Panama	$75,000	1
1993	Panama	$241,501	3
1994	Panama	$0	0
1995	Panama	$0	0
1996	Panama	$0	0
1997	Panama	$0	0

(table continued)

Year	Country	NED $	Grants
1998	Panama	$0	0
1999	Panama	$0	0
Total	Panama	$602,424	8
1990	Papua New Guinea	$0	0
1991	Papua New Guinea	$0	0
1992	Papua New Guinea	$0	0
1993	Papua New Guinea	$0	0
1994	Papua New Guinea	$0	0
1995	Papua New Guinea	$0	0
1996	Papua New Guinea	$0	0
1997	Papua New Guinea	$0	0
1998	Papua New Guinea	$0	0
1999	Papua New Guinea	$0	0
Total	Papua New Guinea	$0	0
1990	Paraguay	$286,810	7
1991	Paraguay	$296,515	5
1992	Paraguay	$191,800	4
1993	Paraguay	$80,000	2
1994	Paraguay	$95,200	2
1995	Paraguay	$252,301	3
1996	Paraguay	$207,220	4
1997	Paraguay	$0	0
1998	Paraguay	$79,489	2
1999	Paraguay	$128,951	1
Total	Paraguay	$1,618,286	30
1990	People's Rep. of Korea	$0	0
1991	People's Rep. of Korea	$0	0
1992	People's Rep. of Korea	$0	0
1993	People's Rep. of Korea	$79,806	1
1994	People's Rep. of Korea	$0	0
1995	People's Rep. of Korea	$0	0
1996	People's Rep. of Korea	$0	0
1997	People's Rep. of Korea	$0	0
1998	People's Rep. of Korea	$63,700	2
1999	People's Rep. of Korea	$62,000	1

(table continued)

Year	Country	NED $	Grants
Total	People's Rep. of Korea	$205,506	4
1990	Peru	$123,000	2
1991	Peru	$149,000	3
1992	Peru	$100,000	2
1993	Peru	$479,335	7
1994	Peru	$414,608	6
1995	Peru	$333,117	4
1996	Peru	$355,565	6
1997	Peru	$238,273	5
1998	Peru	$293,669	6
1999	Peru	$618,993	8
Total	Peru	$3,105,560	49
1990	Philippines	$461,708	2
1991	Philippines	$440,282	2
1992	Philippines	$398,000	3
1993	Philippines	$201,253	1
1994	Philippines	$197,643	2
1995	Philippines	$231,761	3
1996	Philippines	$184,598	2
1997	Philippines	$0	0
1998	Philippines	$0	0
1999	Philippines	$0	0
Total	Philippines	$2,115,245	15
1990	Poland	$4,969,613	19
1991	Poland	$892,025	10
1992	Poland	$751,539	12
1993	Poland	$392,421	6
1994	Poland	$585,058	6
1995	Poland	$623,402	4
1996	Poland	$462,914	3
1997	Poland	$264,596	2
1998	Poland	$148,563	1
1999	Poland	$76,368	1
Total	Poland	$9,166,499	64
1990	Portugal	$270,938	1

(table continued)

Year	Country	NED $	Grants
1991	Portugal	$0	0
1992	Portugal	$0	0
1993	Portugal	$0	0
1994	Portugal	$0	0
1995	Portugal	$0	0
1996	Portugal	$0	0
1997	Portugal	$0	0
1998	Portugal	$0	0
1999	Portugal	$0	0
Total	Portugal	$270,938	1
1990	Qatar	$0	0
1991	Qatar	$0	0
1992	Qatar	$0	0
1993	Qatar	$0	0
1994	Qatar	$0	0
1995	Qatar	$0	0
1996	Qatar	$0	0
1997	Qatar	$0	0
1998	Qatar	$0	0
1999	Qatar	$0	0
Total	Qatar	$0	0
1990	Republic of Korea	$56,000	1
1991	Republic of Korea	$187,600	2
1992	Republic of Korea	$111,372	1
1993	Republic of Korea	$0	0
1994	Republic of Korea	$69,039	1
1995	Republic of Korea	$0	0
1996	Republic of Korea	$0	0
1997	Republic of Korea	$0	0
1998	Republic of Korea	$125,753	1
1999	Republic of Korea	$0	0
Total	Republic of Korea	$549,764	6
1990	Romania	$1,724,551	16
1991	Romania	$519,286	6
1992	Romania	$397,960	5

(table continued)

Year	Country	NED $	Grants
1993	Romania	$24,990	1
1994	Romania	$309,149	7
1995	Romania	$472,892	7
1996	Romania	$575,273	7
1997	Romania	$952,124	8
1998	Romania	$269,212	6
1999	Romania	$588,392	6
Total	Romania	$5,833,829	69
1990	Russia	$0	0
1991	Russia	$1,091,392	17
1992	Russia	$747,219	18
1993	Russia	$2,379,059	24
1994	Russia	$2,212,595	25
1995	Russia	$2,166,461	21
1996	Russia	$1,541,660	23
1997	Russia	$1,519,683	28
1998	Russia	$2,471,603	35
1999	Russia	$1,393,015	30
Total	Russia	$15,522,687	221
1990	Rwanda	$0	0
1991	Rwanda	$0	0
1992	Rwanda	$0	0
1993	Rwanda	$0	0
1994	Rwanda	$45,041	2
1995	Rwanda	$60,000	1
1996	Rwanda	$0	0
1997	Rwanda	$0	0
1998	Rwanda	$0	0
1999	Rwanda	$0	0
Total	Rwanda	$105,041	3
1990	Saudi Arabia	$0	0
1991	Saudi Arabia	$0	0
1992	Saudi Arabia	$0	0
1993	Saudi Arabia	$0	0
1994	Saudi Arabia	$0	0

(table continued)

Year	Country	NED $	Grants
1995	Saudi Arabia	$0	0
1996	Saudi Arabia	$0	0
1997	Saudi Arabia	$0	0
1998	Saudi Arabia	$0	0
1999	Saudi Arabia	$0	0
Total	Saudi Arabia	$0	0
1990	Senegal	$0	0
1991	Senegal	$24,000	1
1992	Senegal	$42,000	1
1993	Senegal	$36,000	1
1994	Senegal	$0	0
1995	Senegal	$0	0
1996	Senegal	$0	0
1997	Senegal	$0	0
1998	Senegal	$0	0
1999	Senegal	$0	0
Total	Senegal	$102,000	3
1993	Serbia	$110,864	1
1994	Serbia		
1995	Serbia	$45,000	1
1996	Serbia		
1997	Serbia	$604,195	6
1998	Serbia	$45,000	1
1999	Serbia	$0	0
Total	Serbia	$805,059	9
1990	Sierra Leone	$0	0
1991	Sierra Leone	$56,000	1
1992	Sierra Leone	$41,450	2
1993	Sierra Leone	$60,150	2
1994	Sierra Leone	$49,950	2
1995	Sierra Leone	$94,525	1
1996	Sierra Leone	$21,750	1
1997	Sierra Leone	$0	0
1998	Sierra Leone	$81,714	1
1999	Sierra Leone	$154,417	4

(table continued)

Year	Country	NED $	Grants
Total	Sierra Leone	$559,956	14
1990	Singapore	$0	0
1991	Singapore	$0	0
1992	Singapore	$0	0
1993	Singapore	$0	0
1994	Singapore	$0	0
1995	Singapore	$0	0
1996	Singapore	$0	0
1997	Singapore	$0	0
1998	Singapore	$0	0
1999	Singapore	$0	0
Total	Singapore	$0	0
1993	Slovakia	$445,304	8
1994	Slovakia	$296,225	4
1995	Slovakia	$322,692	6
1996	Slovakia	$325,676	6
1997	Slovakia	$461,382	7
1998	Slovakia	$760,548	11
1999	Slovakia	$723,555	15
Total	Slovakia	$3,335,382	57
1991	Slovenia	$0	0
1992	Slovenia	$0	0
1993	Slovenia	$149,000	1
1994	Slovenia	$160,963	2
1995	Slovenia	$0	0
1996	Slovenia	$0	0
1997	Slovenia	$0	0
1998	Slovenia	$0	0
1999	Slovenia	$0	0
Total	Slovenia	$309,963	3
1990	Somalia	$0	0
1991	Somalia	$0	0
1992	Somalia	$0	0
1993	Somalia	$0	0
1994	Somalia	$30,000	1

(table continued)

Year	Country	NED $	Grants
1995	Somalia	$0	0
1996	Somalia	$50,000	1
1997	Somalia	$0	0
1998	Somalia	$20,200	1
1999	Somalia	$35,200	2
Total	Somalia	$135,400	5
1990	South Africa	$545,500	1
1991	South Africa	$887,928	9
1992	South Africa	$1,778,720	13
1993	South Africa	$1,164,809	12
1994	South Africa	$616,459	8
1995	South Africa	$362,725	4
1996	South Africa	$245,168	3
1997	South Africa	$352,790	4
1998	South Africa	$62,325	1
1999	South Africa	$0	0
Total	South Africa	$6,016,424	55
1990	Spain	$0	0
1991	Spain	$0	0
1992	Spain	$0	0
1993	Spain	$0	0
1994	Spain	$0	0
1995	Spain	$0	0
1996	Spain	$0	0
1997	Spain	$0	0
1998	Spain	$0	0
1999	Spain	$0	0
Total	Spain	$0	0
1990	Sri Lanka	$0	0
1991	Sri Lanka	$105,000	1
1992	Sri Lanka	$0	0
1993	Sri Lanka	$74,190	1
1994	Sri Lanka	$160,083	2
1995	Sri Lanka	$212,400	2
1996	Sri Lanka	$173,221	2

(table continued)

Year	Country	NED $	Grants
1997	Sri Lanka	$0	0
1998	Sri Lanka	$61,608	3
1999	Sri Lanka	$15,000	1
Total	Sri Lanka	$801,502	12
1990	Sudan	$0	0
1991	Sudan	$44,000	1
1992	Sudan	$68,950	2
1993	Sudan	$144,000	2
1994	Sudan	$122,000	3
1995	Sudan	$64,000	2
1996	Sudan	$110,000	3
1997	Sudan	$130,000	5
1998	Sudan	$116,500	4
1999	Sudan	$154,700	6
Total	Sudan	$954,150	28
1990	Swaziland	$0	0
1991	Swaziland	$0	0
1992	Swaziland	$0	0
1993	Swaziland	$0	0
1994	Swaziland	$0	0
1995	Swaziland	$0	0
1996	Swaziland	$0	0
1997	Swaziland	$0	0
1998	Swaziland	$0	0
1999	Swaziland	$0	0
Total	Swaziland	$0	0
1990	Sweden	$0	0
1991	Sweden	$0	0
1992	Sweden	$0	0
1993	Sweden	$0	0
1994	Sweden	$0	0
1995	Sweden	$0	0
1996	Sweden	$0	0
1997	Sweden	$0	0
1998	Sweden	$0	0

(table continued)

Year	Country	NED $	Grants
1999	Sweden	$0	0
Total	Sweden	$0	0
1990	Switzerland	$0	0
1991	Switzerland	$0	0
1992	Switzerland	$0	0
1993	Switzerland	$0	0
1994	Switzerland	$0	0
1995	Switzerland	$0	0
1996	Switzerland	$0	0
1997	Switzerland	$0	0
1998	Switzerland	$0	0
1999	Switzerland	$0	0
Total	Switzerland	$0	0
1990	Syria	$0	0
1991	Syria	$0	0
1992	Syria	$0	0
1993	Syria	$0	0
1994	Syria	$0	0
1995	Syria	$0	0
1996	Syria	$0	0
1997	Syria	$0	0
1998	Syria	$0	0
1999	Syria	$0	0
Total	Syria	$0	0
1991	Tajikistan	$0	0
1992	Tajikistan	$0	0
1993	Tajikistan	$0	0
1994	Tajikistan	$40,000	1
1995	Tajikistan	$50,000	1
1996	Tajikistan	$0	0
1997	Tajikistan	$13,188	1
1998	Tajikistan	$66,331	3
1999	Tajikistan	$0	0
Total	Tajikistan	$169,519	6
1990	Tanzania	$0	0

(table continued)

Year	Country	NED $	Grants
1991	Tanzania	$0	0
1992	Tanzania	$0	0
1993	Tanzania	$0	0
1994	Tanzania	$0	0
1995	Tanzania	$0	0
1996	Tanzania	$0	0
1997	Tanzania	$0	0
1998	Tanzania	$0	0
1999	Tanzania	$0	0
Total	Tanzania	$0	0
1990	Thailand	$0	0
1991	Thailand	$75,007	1
1992	Thailand	$75,000	1
1993	Thailand	$89,724	1
1994	Thailand	$188,535	1
1995	Thailand	$97,000	2
1996	Thailand	$118,592	1
1997	Thailand	$134,999	1
1998	Thailand	$235,511	2
1999	Thailand	$222,749	2
Total	Thailand	$1,237,117	12
1990	The Gabon	$0	0
1991	The Gabon	$0	0
1992	The Gabon	$0	0
1993	The Gabon	$0	0
1994	The Gabon	$0	0
1995	The Gabon	$0	0
1996	The Gabon	$0	0
1997	The Gabon	$0	0
1998	The Gabon	$0	0
1999	The Gabon	$0	0
Total	The Gabon	$0	0
1990	Togo	$0	0
1991	Togo	$0	0
1992	Togo	$42,978	1

(table continued)

Year	Country	NED $	Grants
1993	Togo	$0	0
1994	Togo	$0	0
1995	Togo	$0	0
1996	Togo	$0	0
1997	Togo	$0	0
1998	Togo	$0	0
1999	Togo	$0	0
Total	Togo	$42,978	1
1990	Trinidad	$0	0
1991	Trinidad	$0	0
1992	Trinidad	$0	0
1993	Trinidad	$0	0
1994	Trinidad	$0	0
1995	Trinidad	$0	0
1996	Trinidad	$0	0
1997	Trinidad	$0	0
1998	Trinidad	$0	0
1999	Trinidad	$0	0
Total	Trinidad	$0	0
1990	Tunisia	$50,000	1
1991	Tunisia	$0	0
1992	Tunisia	$0	0
1993	Tunisia	$0	0
1994	Tunisia	$0	0
1995	Tunisia	$0	0
1996	Tunisia	$0	0
1997	Tunisia	$0	0
1998	Tunisia	$0	0
1999	Tunisia	$0	0
Total	Tunisia	$50,000	1
1990	Turkey	$50,000	1
1991	Turkey	$206,100	4
1992	Turkey	$50,000	1
1993	Turkey	$48,817	1
1994	Turkey	$71,583	1

(table continued)

Year	Country	NED $	Grants
1995	Turkey	$303,442	4
1996	Turkey	$442,697	3
1997	Turkey	$673,695	7
1998	Turkey	$760,616	5
1999	Turkey	$651,214	6
Total	Turkey	$3,258,164	33
1991	Turkmenistan	$0	0
1992	Turkmenistan	$0	0
1993	Turkmenistan	$0	0
1994	Turkmenistan	$0	0
1995	Turkmenistan	$45,000	2
1996	Turkmenistan	$45,200	2
1997	Turkmenistan	$73,420	3
1998	Turkmenistan	$29,376	1
1999	Turkmenistan	$24,770	1
Total	Turkmenistan	$217,766	9
1990	Uganda	$32,500	1
1991	Uganda	$104,000	2
1992	Uganda	$0	0
1993	Uganda	$72,000	2
1994	Uganda	$92,860	3
1995	Uganda	$45,000	1
1996	Uganda	$0	0
1997	Uganda	$40,000	1
1998	Uganda	$0	0
1999	Uganda	$40,000	1
Total	Uganda	$426,360	11
1991	Ukraine	$207,400	3
1992	Ukraine	$309,740	5
1993	Ukraine	$1,408,483	17
1994	Ukraine	$2,150,656	11
1995	Ukraine	$1,131,289	7
1996	Ukraine	$678,665	10
1997	Ukraine	$707,145	10
1998	Ukraine	$994,678	15

(table continued)

Year	Country	NED $	Grants
1999	Ukraine	$1,023,502	14
Total	Ukraine	$8,611,558	92
1990	United Arab Emirates	$0	0
1991	United Arab Emirates	$0	0
1992	United Arab Emirates	$0	0
1993	United Arab Emirates	$0	0
1994	United Arab Emirates	$0	0
1995	United Arab Emirates	$0	0
1996	United Arab Emirates	$0	0
1997	United Arab Emirates	$0	0
1998	United Arab Emirates	$0	0
1999	United Arab Emirates	$0	0
Total	United Arab Emirates	$0	0
1990	United Kingdom	$0	0
1991	United Kingdom	$0	0
1992	United Kingdom	$0	0
1993	United Kingdom	$0	0
1994	United Kingdom	$0	0
1995	United Kingdom	$0	0
1996	United Kingdom	$0	0
1997	United Kingdom	$0	0
1998	United Kingdom	$0	0
1999	United Kingdom	$0	0
Total	United Kingdom	$0	0
1990	Uruguay	$51,000	1
1991	Uruguay	$0	0
1992	Uruguay	$46,568	1
1993	Uruguay	$0	0
1994	Uruguay	$0	0
1995	Uruguay	$0	0
1996	Uruguay	$0	0
1997	Uruguay	$0	0
1998	Uruguay	$0	0
1999	Uruguay	$0	0
Total	Uruguay	$97,568	2

(table continued)

Year	Country	NED $	Grants
1991	Uzbekistan	$0	0
1992	Uzbekistan	$0	0
1993	Uzbekistan	$0	0
1994	Uzbekistan	$45,000	1
1995	Uzbekistan	$64,484	1
1996	Uzbekistan	$0	0
1997	Uzbekistan	$26,105	1
1998	Uzbekistan	$40,414	2
1999	Uzbekistan	$34,890	2
Total	Uzbekistan	$210,893	7
1990	Venezuela	$0	0
1991	Venezuela	$0	0
1992	Venezuela	$0	0
1993	Venezuela	$205,000	2
1994	Venezuela	$314,213	5
1995	Venezuela	$388,499	7
1996	Venezuela	$612,130	7
1997	Venezuela	$187,443	4
1998	Venezuela	$601,334	8
1999	Venezuela	$1,051,370	8
Total	Venezuela	$3,359,989	41
1990	Yemen	$0	0
1991	Yemen	$0	0
1992	Yemen	$20,000	1
1993	Yemen	$325,664	2
1994	Yemen	$0	0
1995	Yemen	$0	0
1996	Yemen	$353,906	3
1997	Yemen	$215,846	1
1998	Yemen	$30,000	1
1999	Yemen	$175,003	1
Total	Yemen	$1,120,419	9
1990	Zaire	$0	0
1991	Zaire	$91,289	2
1992	Zaire	$40,000	1

(table continued)

Year	Country	NED $	Grants
1993	Zaire	$216,595	4
1994	Zaire	$189,140	4
1995	Zaire	$247,950	6
1996	Zaire	$381,980	10
1997	Zaire	$365,000	10
1998	Zaire	$294,028	14
1999	Zaire	$559,000	18
Total	Zaire	$2,384,982	69
1990	Zambia	$0	0
1991	Zambia	$44,000	1
1992	Zambia	$154,000	2
1993	Zambia	$119,845	3
1994	Zambia	$69,186	1
1995	Zambia	$0	0
1996	Zambia	$0	0
1997	Zambia	$0	0
1998	Zambia	$0	0
1999	Zambia	$62,466	1
Total	Zambia	$449,497	8
1990	Zimbabwe	$0	0
1991	Zimbabwe	$0	0
1992	Zimbabwe	$60,000	1
1993	Zimbabwe	$0	0
1994	Zimbabwe	$72,000	2
1995	Zimbabwe	$15,000	1
1996	Zimbabwe	$14,000	1
1997	Zimbabwe	$0	0
1998	Zimbabwe	$171,712	2
1999	Zimbabwe	$150,120	1
Total	Zimbabwe	$482,832	8

APPENDIX B: SUMMARY OF NED GRANT ACTIVITY BY COUNTRY

Country	NED $	% of Total	Grants	% of Total
Afghanistan	$708,282	0.27%	20	0.62%
Africa	$8,342,539	3.14%	81	2.49%
Albania	$1,230,471	0.46%	12	0.37%
Algeria	$301,696	0.11%	4	0.12%
Angola	$485,740	0.18%	5	0.15%
Argentina	$1,609,008	0.61%	21	0.65%
Armenia	$876,880	0.33%	19	0.58%
Asia	$9,747,857	3.67%	47	1.45%
Australia	$0	0.00%	0	0.00%
Austria	$0	0.00%	0	0.00%
Azerbaijan	$1,567,528	0.59%	20	0.62%
Bahrain	$16,500	0.01%	1	0.03%
Bangladesh	$90,811	0.03%	1	0.03%
Belarus	$3,380,243	1.27%	62	1.91%
Belgium	$0	0.00%	0	0.00%
Benin	$479,248	0.18%	6	0.18%
Bhutan	$0	0.00%	0	0.00%
Bolivia	$922,442	0.35%	12	0.37%
Bosnia	$1,390,188	0.52%	26	0.80%
Botswana	$240,900	0.09%	3	0.09%
Brazil	$2,054,586	0.77%	17	0.52%
Bulgaria	$5,356,105	2.02%	48	1.48%
Burkina Faso	$135,000	0.05%	4	0.12%
Burma	$5,214,079	1.96%	67	2.06%
Burundi	$123,085	0.05%	2	0.06%
Cambodia	$4,583,033	1.72%	46	1.41%
Cameroon	$165,959	0.06%	2	0.06%
Canada	$0	0.00%	0	0.00%
C/E Europe	$16,177,631	6.09%	200	6.15%
Central African Rep.	$150,000	0.06%	1	0.03%
Chad	$195,635	0.07%	8	0.25%
Chile	$1,130,700	0.43%	16	0.49%
China	$20,999,229	7.90%	222	6.83%

(table continued)

Country	NED $	% of Total	Grants	% of Total
Colombia	$2,269,828	0.85%	37	1.14%
Comoros	$0	0.00%	0	0.00%
Congo	$174,000	0.07%	5	0.15%
Costa Rica	$75,000	0.03%	1	0.03%
Croatia	$1,112,710	0.42%	17	0.52%
Cuba	$5,707,893	2.15%	81	2.49%
Cyprus	$0	0.00%	0	0.00%
Czech Republic	$769,020	0.29%	5	0.15%
Czechoslovakia	$0	0.00%	0	0.00%
Dem. Rep. Vietnam	$2,282,173	0.86%	29	0.89%
Denmark	$0	0.00%	0	0.00%
Dijibouti	$0	0.00%	0	0.00%
Dominican Republic	$272,385	0.10%	5	0.15%
Ecuador	$820,701	0.31%	14	0.43%
Egypt	$1,581,890	0.60%	26	0.80%
El Salvador	$559,120	0.21%	8	0.25%
Equatorial Guinea	$0	0.00%	0	0.00%
Eritrea	$53,000	0.02%	1	0.03%
Estonia	$347,486	0.13%	13	0.40%
Ethiopia	$920,261	0.35%	25	0.77%
Fiji	$0	0.00%	0	0.00%
Finland	$0	0.00%	0	0.00%
France	$0	0.00%	0	0.00%
Gambia	$47,665	0.02%	1	0.03%
Georgia	$415,091	0.16%	11	0.34%
Germany	$0	0.00%	0	0.00%
Ghana	$698,088	0.26%	11	0.34%
Greece	$0	0.00%	0	0.00%
Grenada	$50,000	0.02%	2	0.06%
Guatemala	$2,263,707	0.85%	32	0.98%
Guinea	$47,418	0.02%	2	0.06%
Guinea Bissau	$0	0.00%	0	0.00%
Guyana	$90,496	0.03%	1	0.03%
Haiti	$2,194,337	0.83%	17	0.52%
Honduras	$0	0.00%	0	0.00%

(table continued)

Country	NED $	% of Total	Grants	% of Total
Hungary	$3,592,481	1.35%	34	1.05%
Iceland	$0	0.00%	0	0.00%
India	$237,535	0.09%	5	0.15%
Indonesia	$1,717,095	0.65%	15	0.46%
Iran	$367,480	0.14%	7	0.22%
Iraq	$985,630	0.37%	15	0.46%
Ireland	$0	0.00%	0	0.00%
Israel	$0	0.00%	0	0.00%
Italy	$0	0.00%	0	0.00%
Ivory Coast	$354,736	0.13%	9	0.28%
Jamaica	$0	0.00%	0	0.00%
Japan	$0	0.00%	0	0.00%
Jordan	$1,682,475	0.63%	26	0.80%
Kazakhstan	$1,558,123	0.59%	20	0.62%
Kenya	$2,280,719	0.86%	28	0.86%
Kosovo	$459,000	0.17%	7	0.22%
Kuwait	$557,974	0.21%	8	0.25%
Kyrgyzstan	$535,892	0.20%	18	0.55%
Latin Am./Caribbean	$8,149,692	3.07%	63	1.94%
Laos	$151,175	0.06%	4	0.12%
Latvia	$480,187	0.18%	12	0.37%
Lebanon	$1,069,028	0.40%	21	0.65%
Lesotho	$0	0.00%	0	0.00%
Liberia	$232,100	0.09%	8	0.25%
Libya	$1,158,300	0.44%	35	1.08%
Lithuania	$2,413,698	0.91%	19	0.58%
Luxembourg	$0	0.00%	0	0.00%
Macedonia	$877,780	0.33%	11	0.34%
Madagascar	$0	0.00%	0	0.00%
Malawi	$531,066	0.20%	8	0.25%
Malaysia	$297,881	0.11%	3	0.09%
Mali	$359,200	0.14%	7	0.22%
Mauritania	$0	0.00%	0	0.00%
Mauritius	$0	0.00%	0	0.00%
Mexico	$8,524,262	3.21%	116	3.57%

(table continued)

Country	NED $	% of Total	Grants	% of Total
Middle East	$5,373,409	2.02%	61	1.88%
Moldova	$50,000	0.02%	2	0.06%
Mongolia	$831,761	0.31%	15	0.46%
Montenegro	$337,580	0.13%	5	0.15%
Morocco	$1,014,268	0.38%	15	0.46%
Mozambique	$258,382	0.10%	6	0.18%
Multi-Region	$10,931,451	4.11%	81	2.49%
Namibia	$639,695	0.24%	14	0.43%
Nepal	$748,663	0.28%	8	0.25%
Netherlands	$0	0.00%	0	0.00%
New Zealand	$0	0.00%	0	0.00%
Newly Independent Sts.	$7,541,963	2.84%	63	1.94%
Nicaragua	$392,490	0.15%	5	0.15%
Niger	$4,563,006	1.72%	93	2.86%
Nigeria	$9,323,365	3.51%	96	2.95%
Norway	$0	0.00%	0	0.00%
Oman	$69,506	0.03%	1	0.03%
Other		0.00%		0.00%
Pakistan	$451,723	0.17%	5	0.15%
Panama	$602,424	0.23%	8	0.25%
Papua New Guinea	$0	0.00%	0	0.00%
Paraguay	$1,618,286	0.61%	30	0.92%
People's Rep. of Korea	$205,506	0.08%	4	0.12%
Peru	$3,105,560	1.17%	49	1.51%
Philippines	$2,115,245	0.80%	15	0.46%
Poland	$9,166,499	3.45%	64	1.97%
Portugal	$270,938	0.10%	1	0.03%
Qatar	$0	0.00%	0	0.00%
Republic of Korea	$549,764	0.21%	6	0.18%
Romania	$5,833,829	2.20%	69	2.12%
Russia	$15,522,687	5.84%	221	6.80%
Rwanda	$105,041	0.04%	3	0.09%
Saudi Arabia	$0	0.00%	0	0.00%
Senegal	$102,000	0.04%	3	0.09%
Serbia	$805,059	0.30%	9	0.28%

(table continued)

Country	NED $	% of Total	Grants	% of Total
Sierra Leone	$559,956	0.21%	14	0.43%
Singapore	$0	0.00%	0	0.00%
Slovakia	$3,335,382	1.26%	57	1.75%
Slovenia	$309,963	0.12%	3	0.09%
Somalia	$135,400	0.05%	5	0.15%
South Africa	$6,016,424	2.26%	55	1.69%
Spain	$0	0.00%	0	0.00%
Sri Lanka	$801,502	0.30%	12	0.37%
Sudan	$954,150	0.36%	28	0.86%
Swaziland	$0	0.00%	0	0.00%
Sweden	$0	0.00%	0	0.00%
Switzerland	$0	0.00%	0	0.00%
Syria	$0	0.00%	0	0.00%
Tajikistan	$169,519	0.06%	6	0.18%
Tanzania	$0	0.00%	0	0.00%
Thailand	$1,237,117	0.47%	12	0.37%
The Gabon	$0	0.00%	0	0.00%
Togo	$42,978	0.02%	1	0.03%
Trinidad	$0	0.00%	0	0.00%
Tunisia	$50,000	0.02%	1	0.03%
Turkey	$3,258,164	1.23%	33	1.02%
Turkmenistan	$217,766	0.08%	9	0.28%
Uganda	$426,360	0.16%	11	0.34%
Ukraine	$0	0.00%	0	0.00%
United Arab Emirates	$8,611,558	3.24%	92	2.83%
United Kingdom	$0	0.00%	0	0.00%
Uruguay	$97,568	0.04%	2	0.06%
Uzbekistan	$210,893	0.08%	7	0.22%
Venezuela	$3,359,989	1.26%	41	1.26%
Yemen	$1,120,419	0.42%	9	0.28%
Zaire	$2,384,982	0.90%	69	2.12%
Zambia	$449,497	0.17%	8	0.25%
Zimbabwe	$482,832	0.18%	8	0.25%
Total	$265,763,672	100.00%	3,251	100.00%

APPENDIX C: DATA BY COUNTRY AND YEAR USED IN CHAPTER 4'S REGRESSION MODELS

Table C.1: List of Data by Country and Year Used to Estimate Chapter 4's First Regression Model

Country	Sufficient Data	Insufficient Data
Afghanistan	None	1994-1999
Albania	1994-1999	None
Algeria	1994-1999	None
Angola	1998-1999	1994-1997
Argentina	1994-1999	None
Armenia	None	1994-1999
Australia	1994-1999	None
Austria	1994-1999	None
Azerbaijan	1995-1999	1994
Bahrain	1994-1999	None
Bangladesh	1994-1999	None
Belarus	1994-1999	None
Belgium	1995-1999	1994
Benin	1995-1999	1994
Bhutan	None	1994-1999
Bolivia	1994-1999	None
Bosnia	1997-1998	1994-1996, 1999
Botswana	1994-1999	None
Brazil	1994-1999	None
Bulgaria	1994-1999	None
Burkina Faso	1995-1999	1994
Burma	None	1994-1999
Burundi	1996-1999	1994-1995
Cambodia	1996-1999	1994-1995
Cameroon	1994-1999	None
Canada	1994-1999	None
Central African Rep.	None	1994-1999

(table continued)

Country	Sufficient Data	Insufficient Data
Chad	1996-1999	1994-1995
Chile	1994-1999	None
China	1994-1999	None
Colombia	1994-1999	None
Comoros	None	1994-1999
Congo	1994-1999	None
Costa Rica	1994-1999	None
Croatia	1995-1998	1994, 1999
Cuba	None	1994-1999
Cyprus	1995-1999	1994
Czech Repubic	1994-1999	None
Dem. Rep. Vietnam	1994-1999	None
Denmark	1995-1999	1994
Dijibouti	1996-1999	1994-1995
Dominican Rep.	1994-1999	None
Ecuador	1994-1999	None
Egypt	1994-1999	None
El Salvador	1994-1999	None
Equ. Guinea	1998-1999	1994-1997
Eritrea	None	1994-1997
Estonia	1994-1999	None
Ethiopia	1995-1999	1994
Fiji	1994-1999	None
Finland	1995-1999	1994
France	1994-1999	None
Gambia	1996-1999	1994-1995
Georgia	1995-1999	1994
Germany	1994-1999	None
Ghana	1994-1999	None
Greece	1994-1999	None
Grenada	None	1994-1999
Guatemala	1999	1994-1998
Guinea	1994-1999	None

(table continued)

Country	Sufficient Data	Insufficient Data
Guinea Bissau	None	1994-1999
Guyana	1994-1999	None
Haiti	1994-1998	1999
Honduras	1994-1999	None
Hungary	1994-1999	None
Iceland	1996-1999	1994-1995
India	1994-1999	None
Indonesia	1994-1999	None
Iran	1995-1999	1994
Iraq	None	1994-1999
Ireland	1994-1999	None
Israel	1994-1999	None
Italy	1994-1999	None
Ivory Coast	1994-1998	1999
Jamaica	1994-1999	None
Japan	1994-1999	None
Jordan	1994-1999	None
Kazakhstan	1999	1994-1998
Kenya	1994-1999	None
Kosovo	None	1994-1999
Kuwait	1995-1999	1994
Kyrgyzstan	1997-1999	1994-1996
Laos	1996-1999	1994-1995
Latvia	1995-1999	1994
Lebanon	1995-1998	1994, 1999
Lesotho	1995-1997	1994, 1998-1999
Liberia	None	1994-1999
Libya	None	1994-1999
Lithuania	1995-1999	1994
Luxembourg	1995-1999	1994
Macedonia	None	1994-1999
Madagascar	1994-1999	None
Malawi	1994-1999	None
Malaysia	1994-1999	None

(table continued)

Country	Sufficient Data	Insufficient Data
Mauritania	1995-1999	1994
Mauritius	1998-1999	1994-1997
Mexico	1994-1999	None
Moldova	1994-1999	None
Mongolia	1994-1999	None
Montenegro	None	1994-1999
Morocco	1994-1999	None
Mozambique	1999	1994-1998
Namibia	1999	1994-1998
Nepal	1995-1999	1994
Netherlands	1995-1999	1994
New Zealand	1995-1999	1994
Nicaragua	1994-1999	None
Niger	1995-1999	1994
Nigeria	1994-1999	None
Norway	1995-1999	1994
Oman	1994-1999	None
Pakistan	1994-1999	None
Panama	1994-1999	None
Papua New Guinea	1995-1999	1994
Paraguay	1994-1999	None
People's Rep. of Korea	None	1994-1999
Peru	1994-1999	None
Philippines	1994-1999	None
Poland	1994-1999	None
Portugal	1994-1999	None
Qatar	1998-1999	1994-1997
Rep. Of Korea	1994-1999	None
Romania	1994-1999	None
Russia	1994-1999	None
Rwanda	1996-1999	1994-1995
Saudi Arabia	1995-1999	1994
Senegal	1995-1999	1994
Serbia	None	1994-1999

(table continued)

Country	Sufficient Data	Insufficient Data
Singapore	1994-1999	None
Slovakia	1994-1999	None
Slovenia	1994-1999	None
Somalia	None	1994-1999
South Africa	1994-1999	None
Spain	1994-1999	None
Sri Lanka	1994-1999	None
Sudan	1994-1999	None
Swaziland	1994-1999	None
Sweden	1994-1999	None
Switzerland	1995-1999	1994
Syria	1995-1999	1994
Tajikistan	1997-1999	1994-1996
Tanzania	1994-1999	None
Thailand	1994-1999	None
The Gabon	1994-1999	None
Togo	1998-1999	1994-1997
Trinidad	1995-1999	1994
Tunisia	1994-1999	None
Turkey	1994-1999	None
Turkmenistan	1997-1999	1994-1996
Uganda	1994-1999	None
Ukraine	1994-1999	None
United Arab Em.	1995-1999	1994
United Kingdom	1994-1999	None
Uruguay	1994-1999	None
Uzbekistan	1997-1999	1994-1996
Venezuela	1994-1999	None
Yemen	1994-1999	None
Zaire	1997-1998	1994-1996
Zambia	1994-1999	None
Zimbabwe	1994-1999	None

Table C.2: List of Data by Country and Year Used to Estimate Chapter 4's Second Regression Model

Country	Sufficient Data	Insufficient Data
Afghanistan	None	1990-1999
Albania	1990-1999	None
Algeria	1990-1999	None
Angola	1990, 1998-1999	1991-1997
Argentina	1990-1999	None
Armenia	1991-1999	1990
Australia	1990-1999	None
Austria	1990-1999	None
Azerbaijan	1991-1999	1990
Bahrain	1990-1999	None
Bangladesh	1990-1999	None
Belarus	1991-1999	1990
Belgium	1990-1999	None
Benin	1991-1999	1990
Bhutan	1990-1999	None
Bolivia	1991-1999	1990
Bosnia	1996-1998	1990-1995, 1999
Botswana	1990-1999	None
Brazil	1990-1999	None
Bulgaria	1990-1999	None
Burkina Faso	1990-1999	None
Burma	None	1990-1999
Burundi	1990-1991, 1996-1999	1992-1995
Cambodia	1990, 1993-1999	1991-1992
Cameroon	1990-1999	None
Canada	1990-1999	None
Central African Rep.	1990-1999	None
Chad	1990-1999	None
Chile	1990-1999	None
China	1990-1999	None

(table continued)

Country	Sufficient Data	Insufficient Data
Congo	1990, 1992-1999	1991
Costa Rica	1990-1999	None
Croatia	1991-1998	1999
Cuba	None	1990-1999
Cyprus	1990-1999	None
Czech Repubic	1993-1999	None
Czechoslovakia	1992	1990-1991
Dem. Rep. Vietnam	1990-1999	None
Denmark	1990-1999	None
Dijibouti	1990-1999	None
Dominican Rep.	1990-1999	None
Ecuador	1990-1999	None
Egypt	1990-1999	None
El Salvador	1990-1999	None
Equ. Guinea	1990-1999	None
Eritrea	1991-1999	1990
Estonia	1991-1999	1990
Ethiopia	1990, 1995-1999	1991-1994
Fiji	1990-1999	None
Finland	1990-1999	None
France	1990-1999	None
Gambia	1990-1999	None
Georgia	1991-1999	1990
Germany	1990-1999	None
Ghana	1990, 1992-1999	1991
Greece	1990-1999	None
Grenada	None	1990-1999
Guatemala	1990-1999	None
Guinea	1990-1999	None
Guinea Bissau	1990-1997	1998-1999
Guyana	1990-1999	None
Haiti	1991-1998	1990
Honduras	1990-1999	None
Hungary	1990-1999	None

(table continued)

Country	Sufficient Data	Insufficient Data
Iceland	1990-1993, 1996-1999	1994-1995
India	1990-1999	None
Indonesia	1990-1999	None
Iran	1990-1999	None
Iraq	None	1990-1999
Ireland	1990-1999	None
Israel	1990-1999	None
Italy	1990-1999	None
Ivory Coast	1990-1998	1999
Jamaica	1990-1999	None
Japan	1990-1999	None
Jordan	1990-1999	None
Kazakhstan	1991-1999	1990
Kenya	1990-1999	None
Kosovo	None	1990-1999
Kuwait	1991-1999	1990
Kyrgyzstan	1991-1999	1990
Laos	1990-1999	None
Latvia	1991-1999	1990
Lebanon	1992-1998	1990-1991
Lesotho	1990-1997	1998-1999
Liberia	None	1990-1999
Libya	None	1990-1999
Lithuania	1991-1999	1990
Luxembourg	1990-1999	None
Macedonia	1991-1999	1990
Madagascar	1990-1999	None
Malawi	1990-1999	None
Malaysia	1990-1999	None
Mali	1990, 1992-1999	1991
Mauritania	1990-1999	None
Mauritius	1990-1993, 1997-1999	1994-1996
Mexico	1990-1999	None
Moldova	1991-1999	1990

(table continued)

Country	Sufficient Data	Insufficient Data
Mongolia	1990-1999	None
Montenegro	None	1990-1999
Morocco	1990-1999	None
Mozambique	1999	1990-1998
Namibia	1999	1990-1998
Nepal	1990-1999	None
Netherlands	1990-1999	None
New Zealand	1990-1999	None
Nicaragua	1990-1999	None
Niger	1990, 1993-1999	1991-1992
Nigeria	1990-1999	None
Norway	1990-1999	None
Oman	1990-1999	None
Pakistan	1990-1999	None
Panama	1990-1999	None
Papua New Guinea	1990-1993, 1995-1999	1994
Paraguay	1990-1999	None
People's Rep. of Korea	None	1990-1999
Peru	1990-1999	None
Philippines	1990-1999	None
Poland	1990-1999	None
Portugal	1990-1999	None
Qatar	1990-1999	None
Rep. Of Korea	1990-1999	None
Romania	1990-1999	None
Russia	1990-1999	None
Rwanda	1990, 1995-1999	1991-1994
Saudi Arabia	1990-1999	None
Senegal	1990-1999	None
Serbia	None	1990-1999
Sierra Leone	1990-1998	1999
Singapore	1990-1999	None
Slovakia	1993-1999	1990-1992

(table continued)

Country	Sufficient Data	Insufficient Data
Slovenia	1991-1999	1990
Somalia	None	1990-1999
South Africa	1990-1992, 1994-1999	1993
Spain	1990-1999	None
Sri Lanka	1990-1999	None
Sudan	1990-1999	None
Swaziland	1990-1999	None
Sweden	1990-1999	None
Switzerland	1990-1999	1994
Syria	1990-1999	1994
Tajikistan	1991-1999	1990
Tanzania	1990-1999	None
Thailand	1990-1999	None
The Gabon	1991-1999	None
Togo	1990, 1993-1999	1991-1992
Trinidad	1990-1999	None
Tunisia	1990-1999	None
Turkey	1990-1999	None
Turkmenistan	1991-1999	1990
Uganda	1990-1999	None
Ukraine	1991-1999	1990
United Arab Em.	1990-1999	None
United Kingdom	1990-1999	None
Uruguay	1990-1999	None
Uzbekistan	1991-1999	1990
Venezuela	1990-1999	None
Yemen	1994-1999	1990-1993
Zaire	1990-1992, 1997-1998	1993-1996
Zambia	1990-1999	None
Zimbabwe	1990-1999	None

APPENDIX D: CORRELATION TABLES FOR VARIABLES USED IN CHAPTER 4, 1990-1999

Table D.1: 1990 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	155										
Sig											
NED Recip.	0.44	1									
Obs	155	155									
Sig	None										
Democracy	0.13	0.15	1								
Obs	135	135	135								
Sig	None	0.05									
Ec. Freedom	N/a	n/a	n/a	n/a							
Obs	N/a	n/a	n/a	n/a							
Sig	N/a	n/a	n/a	n/a							
Military Pres.	0.03	0.03	0.14	n/a	1						
Obs	151	151	135	n/a	151						
Sig	None	0.10	0.10	n/a							
Size of Ec.	0.04	0.08	0.14	n/a	0.87	1					
Obs	143	143	129	n/a	143	143					
Sig	None	0.10	None	n/a	0.01						
Population	0.08	0.16	-0.04	n/a	0.60	0.71	1				
Obs	151	151	135	n/a	151	143	151				
Sig	None	0.05	None	n/a	0.01	0.01					
Ec. Dev.	-0.12	-0.27	0.56	n/a	0.19	0.20	-0.07	1			
Obs	143	143	129	n/a	143	143	143	143			
Sig	None	0.01	0.01	n/a	0.05	0.05	None				
Trade Open	-0.03	0.04	0.07	n/a	-0.04	-0.05	-0.05	0.10	1		
Obs	143	143	129	n/a	143	143	143	143	143		
Sig	None	None	None	n/a	None	None	None	None			
US For. Aid	0.08	0.14	-0.04	n/a	0.55	0.65	0.96	-0.07	-0.03	1	
Obs	152	152	135	n/a	151	143	151	143	143	152	
Sig	None	0.10	None	n/a	0.01	0.01	0.01	None	None		
All. Partner	0.24	0.33	0.62	n/a	0.30	0.31	0.19	0.31	0.19	0.19	1
Obs	152	152	135	n/a	151	143	151	143	143	143	152
Sig	0.01	0.01	0.01	n/a	0.01	0.01	0.05	0.01	0.05	0.05	

Table D.2: 1991 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	166										
Sig											
NED Recip.	0.53	1									
Obs	166	166									
Sig	0.01										
Democracy	0.06	-0.04	1								
Obs	145	145	145								
Sig	None	None									
Ec. Freedom	N/a	n/a	n/a	n/a							
Obs	N/a	n/a	n/a	n/a							
Sig	N/a	n/a	n/a	n/a							
Military Pres.	0.16	0.00	0.13	n/a	1						
Obs	165	165	145	n/a	145						
Sig	0.05	0.05	None	n/a							
Size of Ec.	0.25	0.04	0.11	n/a	0.87	1					
Obs	157	157	139	n/a	157	157					
Sig	0.01	None	None	n/a	0.01						
Population	0.34	0.18	-0.06	n/a	0.54	0.71	1				
Obs	165	165	145	n/a	165	157	165				
Sig	0.01	0.05	None	n/a	0.01	0.01					
Ec. Dev.	-0.16	-0.31	0.45	n/a	0.20	0.20	-0.07	1			
Obs	157	157	139	n/a	157	157	157	157			
Sig	0.05	0.01	0.01	n/a	0.05	0.05	None				
Trade Open	-0.09	-0.05	0.07	n/a	-0.04	-0.05	-0.04	0.09	1		
Obs	157	157	139	n/a	157	157	157	157	157		
Sig	None	None	None	n/a	None	None	None	None			
US For. Aid	0.27	0.15	-0.07	n/a	0.44	0.55	0.93	-0.06	-0.02	1	
Obs	166	166	145	n/a	165	157	165	157	157	166	
Sig	0.01	0.10	None	n/a	0.01	0.01	0.01	None	None		
All. Partner	0.19	0.16	0.52	n/a	0.30	0.31	0.19	0.31	0.22	0.18	1
Obs	166	166	145	n/a	165	157	165	157	157	166	166
Sig	0.05	0.05	0.01	n/a	0.01	0.01	0.05	0.01	0.01	0.05	

Table D.3: 1992 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	165										
Sig											
NED Recip.	0.41	1									
Obs	165	165									
Sig	0.01										
Democracy	0.03	-0.05	1								
Obs	150	150	150								
Sig	None	None									
Ec. Freedom	N/a	n/a	n/a	n/a							
Obs	N/a	n/a	n/a	n/a							
Sig	N/a	n/a	n/a	n/a							
Military Pres.	0.15	0.02	0.13	n/a	1						
Obs	164	164	150	n/a	164						
Sig	0.10	None	None	n/a							
Size of Ec.	0.18	0.05	0.11	n/a	0.91	1					
Obs	156	156	145	n/a	156	156					
Sig	0.05	None	None	n/a	0.01						
Population	0.27	0.19	-0.06	n/a	0.61	0.73	1				
Obs	164	164	150	n/a	164	156	164				
Sig	0.01	0.05	None	n/a	0.01	0.01					
Ec. Dev.	-0.13	-0.33	0.45	n/a	0.21	0.21	-0.06	1			
Obs	156	156	145	n/a	156	156	156	156			
Sig	None	0.01	0.01	n/a	0.01	None	None				
Trade Open	-0.05	-0.07	0.07	n/a	-0.04	-0.04	-0.04	0.07	1		
Obs	156	156	145	n/a	156	156	156	156	156		
Sig	None	None	None	n/a	None	None	None	None			
US For. Aid	0.24	0.16	-0.07	n/a	0.52	0.61	0.94	-0.07	-0.02	1	
Obs	165	165	150	n/a	164	156	164	156	156	165	
Sig	0.01	0.05	None	n/a	0.01	0.01	0.01	None	None		
All. Partner	0.12	0.16	0.49	n/a	0.32	0.31	0.19	0.32	0.21	0.18	1
Obs	165	165	150	n/a	164	156	164	156	156	165	165
Sig	None	0.05	0.01	n/a	0.01	0.01	0.05	0.01	0.01	0.05	

Table D.4: 1993 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	169										
Sig											
NED Recip.	0.47	1									
Obs	169	169									
Sig	0.01										
Democracy	-0.06	-0.15	1								
Obs	152	152	152								
Sig	None	0.10									
Ec. Freedom	N/a	n/a	n/a	n/a							
Obs	N/a	n/a	n/a	n/a							
Sig	N/a	n/a	n/a	n/a							
Military Pres.	0.23	0.01	0.11	n/a	1						
Obs	166	166	152	n/a	166						
Sig	0.01	None	None	n/a							
Size of Ec.	0.28	0.04	0.10	n/a	0.94	1					
Obs	157	157	147	n/a	157	157					
Sig	0.01	None	None	n/a	0.01						
Population	0.42	0.17	-0.07	n/a	0.66	0.71	1				
Obs	166	166	152	n/a	166	157	166				
Sig	0.01	0.05	None	n/a	0.01	0.01					
Ec. Dev.	-0.16	-0.35	0.44	n/a	-0.04	-0.04	0.09	1			
Obs	157	157	147	n/a	157	157	157	157			
Sig	0.05	0.01	0.01	n/a	0.05	0.01	None				
Trade Open	-0.10	-0.22	0.08	n/a	-0.04	-0.04	-0.04	0.09	1		
Obs	157	157	147	n/a	157	157	157	157	157		
Sig	None	None	None	n/a	None	None	None	None			
US For. Aid	0.34	0.15	-0.07	n/a	0.56	0.59	0.95	-0.07	-0.03	1	
Obs	166	166	152	n/a	166	157	166	157	157	166	
Sig	0.01	0.10	None	n/a	0.01	0.01	0.01	None	None		
All. Partner	0.08	-0.01	0.49	n/a	0.32	0.31	0.19	0.32	0.23	0.18	1
Obs	166	166	152	n/a	166	157	166	157	157	166	166
Sig	None	0.10	0.01	n/a	0.01	0.01	0.05	0.01	0.01	0.05	

Table D.5: 1994 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	168										
Sig											
NED Recip.	0.45	1									
Obs	168	168									
Sig	0.01										
Democracy	-0.08	-0.15	1								
Obs	154	154	154								
Sig	None	0.10									
Ec. Freedom	0.25	0.23	-0.4	1							
Obs	103	103	100	103							
Sig	0.05	0.05	0.01								
Military Pres.	0.24	0.01	0.10	-0.19	1						
Obs	165	165	154	103	165						
Sig	0.01	0.10	None	0.10							
Size of Ec.	0.26	-0.00	0.10	-0.19	0.95	1					
Obs	157	157	149	101	157	157					
Sig	0.01	0.05	None	0.10	0.01						
Population	0.45	0.13	-0.07	0.09	0.68	0.71	1				
Obs	165	165	154	103	165	157	165				
Sig	0.01	0.10	None	None	0.01	0.01					
Ec. Dev.	-0.19	-0.4	0.43	-0.69	0.17	0.21	-0.07	1			
Obs	157	157	149	101	157	157	157	157			
Sig	0.05	0.01	0.01	0.01	0.05	0.01	None				
Trade Open	-0.06	-0.22	0.1	-0.08	-0.03	-0.04	-0.04	0.09	1		
Obs	157	157	149	101	157	157	157	157	157		
Sig	None	0.01	None	None	None	None	None	None			
US For. Aid	0.39	0.14	-0.06	0.08	0.60	0.61	0.93	-0.07	-0.04	1	
Obs	165	165	154	103	165	157	165	157	157	165	
Sig	0.10	0.10	0.01	0.01	0.01	0.01	0.05	None	None		
All. Partner	0.14	-0.01	0.51	-0.32	0.33	0.31	0.19	0.32	0.25	0.16	1
Obs	165	165	154	103	165	157	165	157	157	165	165
Sig	0.10	0.10	0.01	0.01	0.01	0.01	0.05	0.01	0.01	0.05	

Table D.6: 1995 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	169										
Sig											
NED Recip.	0.46	1									
Obs	169	169									
Sig	0.01										
Democracy	-0.12	-0.22	1								
Obs	155	155	155								
Sig	None	0.01									
Ec. Freedom	0.23	0.37	-0.51	1							
Obs	138	138	134	138							
Sig	0.01	0.01	0.01								
Military Pres.	0.31	-0.01	0.10	-0.10	1						
Obs	166	166	155	138	166						
Sig	0.01	None	None	None							
Size of Ec.	0.33	-0.01	0.10	-0.09	0.95	1					
Obs	157	157	150	132	157	157					
Sig	0.01	None	None	None	0.01						
Population	0.53	0.13	-0.06	0.08	0.70	0.71	1				
Obs	166	166	155	138	166	157	166				
Sig	0.01	0.10	None	None	0.01	0.01					
Ec. Dev.	-0.20	-0.44	0.44	-0.68	0.18	0.21	-0.07	1			
Obs	157	157	150	132	157	157	157	157			
Sig	0.05	0.01	0.01	0.01	0.05	0.01	None				
Trade Open	-0.04	-0.08	0.10	-0.12	-0.04	-0.04	-0.04	0.07	1		
Obs	157	157	150	132	157	157	157	157	157		
Sig	None	None	None	None	None	None	None	None			
US For. Aid	0.44	0.13	-0.06	0.07	0.59	0.59	0.95	-0.07	-0.03	1	
Obs	166	166	155	138	166	157	166	157	157	166	
Sig	0.01	0.10	None	None	0.01	0.01	0.01	None	None		
All. Partner	0.13	-0.06	0.52	-0.37	0.32	0.31	0.19	0.33	0.26	0.18	1
Obs	166	166	155	138	166	157	166	157	157	166	166
Sig	0.10	None	0.01	0.01	0.01	0.01	0.05	0.01	0.01	0.05	

Table D.7: 1996 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	168										
Sig											
NED Recip.	0.44	1									
Obs	168	168									
Sig	0.01										
Democracy	-0.13	-0.22	1								
Obs	159	159	159								
Sig	0.10	0.01									
Ec. Freedom	0.22	0.42	-0.53	1							
Obs	146	146	141	146							
Sig	0.01	0.01	0.01								
Military Pres.	0.34	0.05	0.08	-0.06	1						
Obs	165	165	159	146	165						
Sig	0.01	None	None	None							
Size of Ec.	0.32	0.02	0.10	-0.08	0.93	1					
Obs	157	157	153	140	157	157					
Sig	0.01	None	None	None	0.01						
Population	0.50	0.15	-0.06	0.08	0.79	0.71	1				
Obs	165	165	159	146	165	157	165				
Sig	0.01	0.10	None	None	0.01	0.01					
Ec. Dev.	-0.18	-0.40	0.44	-0.67	0.12	0.19	-0.07	1			
Obs	157	157	153	140	157	157	157	157			
Sig	0.05	0.01	0.01	0.01	None	0.05	None				
Trade Open	-0.04	-0.11	0.12	-0.14	-0.04	-0.04	-0.04	0.08	1		
Obs	157	157	153	140	157	157	157	157	157		
Sig	None	None	None	0.10	None	None	None	None			
US For. Aid	0.35	0.14	-0.06	0.07	0.67	0.58	0.94	-0.07	-0.03	1	
Obs	165	165	159	146	165	157	165	157	157	165	
Sig	0.01	0.10	None	None	0.01	0.01	0.01	None	None		
All. Partner	0.07	-0.08	0.55	-0.38	0.32	0.31	0.19	0.33	0.26	0.17	1
Obs	165	165	159	146	165	157	165	157	157	165	165
Sig	0.10	None	0.01	0.01	0.01	0.01	0.05	0.01	0.01	0.05	

Table D.8: 1997 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	169										
Sig											
NED Recip.	0.51	1									
Obs	169	169									
Sig	0.01										
Democracy	-0.15	-0.25	1								
Obs	161	161	161								
Sig	0.10	0.01									
Ec. Freedom	0.18	0.34	-0.59	1							
Obs	151	151	147	151							
Sig	0.05	0.01	0.01								
Military Pres.	0.13	0.04	0.11	-0.09	1						
Obs	166	166	161	151	166						
Sig	0.10	None	None	None							
Size of Ec.	0.18	0.04	0.11	-0.09	0.95	1					
Obs	157	157	154	145	157	157					
Sig	0.05	None	None	None	0.01						
Population	0.33	0.16	-0.05	0.06	0.73	0.73	1				
Obs	166	166	161	151	166	157	166				
Sig	0.01	0.05	None	None	0.01	0.01					
Ec. Dev.	-0.19	-0.38	0.46	-0.66	0.15	0.18	-0.07	1			
Obs	157	157	154	145	157	157	157	157			
Sig	0.05	0.01	0.01	0.01	0.10	0.05	None				
Trade Open	-0.03	-0.08	0.15	-0.17	-0.04	-0.03	-0.03	0.11	1		
Obs	157	157	154	145	157	157	157	157	157		
Sig	None	None	0.10	0.05	None	None	None	None			
US For. Aid	0.25	0.16	-0.05	0.05	0.62	0.62	0.95	-0.07	-0.02	1	
Obs	166	166	161	151	166	157	166	157	157	166	
Sig	0.01	0.05	None	None	0.01	0.01	0.01	None	None		
All. Partner	0.01	-0.07	0.56	-0.4	0.32	0.31	0.19	0.34	0.29	0.18	1
Obs	166	166	161	151	166	157	166	157	157	166	166
Sig	None	None	0.01	0.01	0.01	0.01	0.05	0.01	0.01	0.05	

Table D.9: 1998 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	169										
Sig											
NED Recip.	0.44	1									
Obs	169	169									
Sig	0.01										
Democracy	-0.12	-0.26	1								
Obs	159	159	159								
Sig	None	0.01									
Ec. Freedom	0.16	0.45	-0.61	1							
Obs	156	156	150	156							
Sig	0.10	0.01	0.01								
Military Pres.	0.18	0.06	0.09	-0.07	1						
Obs	166	166	159	156	166						
Sig	0.05	None	None	None							
Size of Ec.	0.19	0.03	0.11	-0.09	0.94	1					
Obs	157	157	152	150	157	157					
Sig	0.05	None	None	None	0.01						
Population	0.38	0.16	-0.06	0.07	0.78	0.72	1				
Obs	166	166	159	156	166	157	166				
Sig	0.01	0.05	None	None	0.01	0.01					
Ec. Dev.	-0.06	-0.14	-0.02	-0.13	0.01	0.04	-0.03	1			
Obs	157	157	152	150	157	157	157	157			
Sig	0.05	0.10	None	None	0.10	None	None				
Trade Open	-0.04	-0.09	0.14	-0.19	-0.03	-0.02	-0.03	-0.03	1		
Obs	157	157	152	150	157	157	157	157	157		
Sig	None	None	0.10	0.05	None	None	None	None			
US For. Aid	0.31	0.15	-0.05	0.06	0.69	0.62	0.94	-0.02	-0.03	1	
Obs	166	166	159	156	166	157	166	157	157	166	
Sig	0.01	0.05	None	None	0.01	0.01	0.01	None	None		
All. Partner	0.01	-0.12	0.55	-0.42	0.31	0.31	0.19	0.01	0.29	0.17	1
Obs	166	166	159	156	166	157	166	157	157	166	166
Sig	None	None	0.01	0.01	0.01	0.01	0.05	None	0.01	0.05	

Table D.10: 1999 Correlation Table for Variables Used in Chapter 4

	NED Money	NED Recip.	Democracy	Ec. Freedom	Military Pres.	Size of Ec.	Population	Ec. Dev.	Trade Open	US For. Aid	All. Partner
NED Money	1										
Obs	170										
Sig											
NED Recip.	0.48	1									
Obs	170	170									
Sig	0.01										
Democracy	-0.1	-0.26	1								
Obs	155	155	155								
Sig	None	0.01									
Ec. Freedom	0.19	0.35	-0.61	1							
Obs	158	158	147	158							
Sig	0.05	0.01	0.01								
Military Pres.	-0.03	-0.09	0.11	-0.17	1						
Obs	170	170	155	158	170						
Sig	None	None	None	0.05							
Size of Ec.	-0.01	-0.08	0.11	-0.18	0.99	1					
Obs	157	157	147	152	157	157					
Sig	None	None	None	0.05	0.01						
Population	0.16	-0.02	0.06	-0.02	0.66	0.64	1				
Obs	169	169	155	158	169	157	169				
Sig	0.05	None	None	None	0.01	0.01					
Ec. Dev.	-0.07	-0.15	-0.02	-0.13	0.01	0.02	-0.02	1			
Obs	157	157	147	152	157	157	157	157			
Sig	None	0.10	None	0.10	None	None	None				
Trade Open	-0.05	-0.12	-0.11	-0.16	-0.03	-0.03	-0.03	-0.04	1		
Obs	158	158	147	152	158	157	158	157	158		
Sig	None	None	None	0.05	None	None	None	None			
US For. Aid	0.14	0.07	0.03	0.05	-0.02	-0.02	-0.01	-0.01	-0.03	1	
Obs	160	160	149	152	160	151	160	151	151	160	
Sig	0.10	None	None	None	None	None	0.10	None	None		
All. Partner	0.03	-0.15	0.51	-0.44	0.16	0.16	0.20	0.01	0.27	-0.09	1
Obs	170	170	155	158	170	157	169	157	158	160	170
Sig	None	0.10	0.01	0.01	0.05	0.05	0.01	None	0.01	None	

APPENDIX E: DATA BY COUNTRY USED TO ESTIMATE CHAPTER 5'S REGRESSION MODELS

Table E.1: List of Data by Country Used to Estimate Chapter 5's First Regression Model

Country	Sufficient Data
Afghanistan	No
Albania	Yes
Algeria	Yes
Angola	Yes
Argentina	Yes
Armenia	No
Australia	Yes
Austria	Yes
Azerbaijan	No
Bahrain	Yes
Bangladesh	Yes
Belarus	No
Belgium	Yes
Benin	No
Bhutan	No
Bolivia	Yes
Bosnia	No
Botswana	Yes
Brazil	Yes
Bulgaria	Yes
Burkina Faso	Yes
Burma	No
Burundi	Yes
Cambodia	No
Cameroon	Yes
Canada	Yes
Central African Rep.	Yes

(table continued)

Country	Sufficient Data
Chad	Yes
Chile	Yes
China	Yes
Colombia	Yes
Comoros	Yes
Congo	Yes
Costa Rica	Yes
Croatia	No
Cuba	No
Cyprus	Yes
Czech Repubic	Yes
Czechoslovakia	No
Dem. Rep. Vietnam	No
Denmark	Yes
Dijibouti	Yes
Dominican Rep.	Yes
Ecuador	Yes
Egypt	Yes
El Salvador	Yes
Equ. Guinea	Yes
Eritrea	No
Estonia	No
Ethiopia	No
Fiji	Yes
Finland	No
France	Yes
Gambia	Yes
Georgia	Yes
Germany	No
Ghana	No
Greece	Yes
Grenada	Yes
Guatemala	Yes
Guinea	No

(table continued)

Country	Sufficient Data
Guyana	Yes
Haiti	Yes
Honduras	Yes
Hungary	No
Iceland	Yes
India	Yes
Indonesia	Yes
Iran	Yes
Iraq	Yes
Ireland	Yes
Israel	No
Italy	Yes
Ivory Coast	Yes
Jamaica	Yes
Japan	Yes
Jordan	Yes
Kazakhstan	Yes
Kenya	Yes
Kosovo	No
Kuwait	Yes
Kyrgyzstan	No
Laos	No
Latvia	Yes
Lebanon	Yes
Lesotho	No
Liberia	No
Libya	Yes
Lithuania	No
Luxembourg	No
Macedonia	No
Madagascar	Yes
Malawi	No
Malaysia	Yes
Mali	Yes

(table continued)

Country	Sufficient Data
Mauritania	Yes
Mauritius	Yes
Mexico	Yes
Moldova	Yes
Mongolia	Yes
Montenegro	No
Morocco	Yes
Mozambique	No
Namibia	No
Nepal	Yes
Netherlands	No
New Zealand	Yes
Nicaragua	Yes
Niger	Yes
Nigeria	Yes
Norway	Yes
Oman	No
Pakistan	Yes
Panama	Yes
Papua New Guinea	Yes
Paraguay	Yes
People's Rep. of Korea	Yes
Peru	Yes
Philippines	No
Poland	Yes
Portugal	Yes
Qatar	Yes
Rep. of Korea	Yes
Romania	Yes
Russia	Yes
Rwanda	Yes
Saudi Arabia	Yes
Senegal	No
Serbia	Yes

(table continued)

Country	Sufficient Data
Sierra Leone	Yes
Singapore	No
Slovakia	Yes
Slovenia	Yes
Somalia	Yes
South Africa	Yes
Spain	No
Sri Lanka	Yes
Sudan	Yes
Swaziland	Yes
Sweden	Yes
Switzerland	Yes
Syria	Yes
Tajikistan	Yes
Tanzania	Yes
Thailand	No
The Gabon	Yes
Togo	Yes
Trinidad	No
Tunisia	No
Turkey	Yes
Turkmenistan	Yes
Uganda	Yes
Ukraine	Yes
United Arab Em.	Yes
United Kingdom	Yes
Uruguay	Yes
Uzbekistan	Yes
Venezuela	Yes
Yemen	Yes
Zaire	Yes
Zambia	No
Zimbabwe	Yes

Table E.2: List of Data by Country Used to Estimate Chapter 5's Second Regression Model

Country	Sufficient Data
Afghanistan	No
Albania	Yes
Algeria	Yes
Angola	Yes
Argentina	Yes
Armenia	No
Australia	Yes
Austria	Yes
Azerbaijan	Yes
Bahrain	Yes
Bangladesh	Yes
Belarus	Yes
Belgium	Yes
Benin	Yes
Bhutan	No
Bolivia	Yes
Bosnia	Yes
Botswana	Yes
Brazil	Yes
Bulgaria	Yes
Burkina Faso	Yes
Burma	No
Burundi	Yes
Cambodia	Yes
Cameroon	Yes
Canada	Yes
Central African Rep.	No

(table continued)

Country	Sufficient Data
Chad	Yes
Chile	Yes
China	Yes
Colombia	Yes
Comoros	No
Congo	Yes
Costa Rica	Yes
Croatia	Yes
Cuba	No
Cyprus	Yes
Czech Repubic	Yes
Dem. Rep. Vietnam	Yes
Denmark	Yes
Dijibouti	Yes
Dominican Rep.	Yes
Ecuador	Yes
Egypt	Yes
El Salvador	Yes
Equ. Guinea	Yes
Eritrea	No
Estonia	Yes
Ethiopia	Yes
Fiji	Yes
Finland	Yes
France	Yes
Gambia	Yes
Georgia	Yes
Germany	Yes
Ghana	Yes
Greece	Yes
Grenada	No
Guatemala	No
Guinea	Yes
Guinea Bissau	Yes

(table continued)

Country	Sufficient Data
Guyana	Yes
Haiti	Yes
Honduras	Yes
Hungary	Yes
Iceland	Yes
India	Yes
Indonesia	Yes
Iran	Yes
Iraq	No
Ireland	Yes
Israel	Yes
Italy	Yes
Ivory Coast	Yes
Jamaica	Yes
Japan	Yes
Jordan	Yes
Kazakhstan	No
Kenya	Yes
Kosovo	No
Kuwait	Yes
Kyrgyzstan	Yes
Laos	Yes
Latvia	Yes
Lebanon	Yes
Lesotho	Yes
Liberia	No
Libya	No
Lithuania	Yes
Luxembourg	Yes
Macedonia	No
Madagascar	Yes
Malawi	Yes
Malaysia	Yes
Mali	Yes

(table continued)

Country	Sufficient Data
Mauritania	Yes
Mauritius	Yes
Mexico	Yes
Moldova	Yes
Mongolia	Yes
Montenegro	No
Morocco	Yes
Mozambique	Yes
Namibia	Yes
Nepal	Yes
Netherlands	Yes
New Zealand	Yes
Nicaragua	Yes
Niger	Yes
Nigeria	Yes
Norway	Yes
Oman	Yes
Pakistan	Yes
Panama	Yes
Papua New Guinea	Yes
Paraguay	Yes
People's Rep. of Korea	No
Peru	Yes
Philippines	Yes
Poland	Yes
Portugal	Yes
Qatar	Yes
Rep. of Korea	Yes
Romania	Yes
Russia	Yes
Rwanda	Yes
Saudi Arabia	Yes
Senegal	Yes
Serbia	No

(table continued)

Country	Sufficient Data
Sierra Leone	Yes
Singapore	Yes
Slovakia	Yes
Slovenia	Yes
Somalia	No
South Africa	Yes
Spain	Yes
Sri Lanka	Yes
Sudan	Yes
Swaziland	Yes
Sweden	Yes
Switzerland	Yes
Syria	Yes
Tajikistan	Yes
Tanzania	Yes
Thailand	Yes
The Gabon	Yes
Togo	Yes
Trinidad	Yes
Tunisia	Yes
Turkey	Yes
Turkmenistan	Yes
Uganda	Yes
Ukraine	Yes
United Arab Em.	Yes
United Kingdom	Yes
Uruguay	Yes
Uzbekistan	Yes
Venezuela	Yes
Yemen	Yes
Zaire	Yes
Zambia	Yes
Zimbabwe	Yes

APPENDIX F: CORRELATION TABLE FOR VARIABLES USED IN CHAPTER 5, 1990-1999

	Dem. Change	NED Money	Ec. Size Ch.	Pop. Change	Ec. Dev. Ch.	Tr. Open Ch.	For. Aid Ch.
Dem. Change	1						
Obs	125						
Sig							
NED Money	-0.12	1					
Obs	125	125					
Sig	None						
Ec. Size Ch.	-0.05	0.09	1				
Obs	125	125	125				
Sig	None	None					
Pop. Change	-0.02	-0.02	0.17	1			
Obs	125	125	125	125			
Sig	None	None	0.10				
Ec. Dev. Ch.	-0.06	0.07	0.90	-0.04	1		
Obs	125	125	125	125	125		
Sig	None	None	0.01	None			
Tr. Open Ch.	0.01	-0.04	-0.04	-0.02	-0.04	1	
Obs	125	125	125	125	125	125	
Sig	None	None	None	None	None		
For. Aid Ch.	0.05	-0.06	-0.02	-0.04	-0.02	0.05	1
Obs	125	125	125	125	125	125	125
Sig	None	None	None	None	None	None	

VITA

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