

GAO

Report to the Chairman and Ranking
Minority Member, Committee on
International Relations, House of
Representatives

February 1996

PROMOTING DEMOCRACY

Progress Report on U.S. Democratic Development Assistance to Russia



National Security and
International Affairs Division

B-270026

February 29, 1996

The Honorable Benjamin A. Gilman
Chairman
The Honorable Lee H. Hamilton
Ranking Minority Member
Committee on International Relations
House of Representatives

As requested, we reviewed U.S.-funded democracy programs of the U.S. Agency for International Development (USAID); the U.S. Information Agency (USIA), including projects funded by USIA's annual grant to the National Endowment for Democracy (NED); the Department of State; and the Department of Defense (DOD). This report focuses on democracy projects in Russia and addresses whether such projects were meeting their developmental goals and contributing to political reform from fiscal years 1990 through 1994. To make this assessment, we examined projects in six areas: independent media, trade union development, political party development, rule of law development, electoral support, and civil-military relations. We also inquired into State and USAID views on the future of the U.S.-funded democracy program in Russia.

Background

The United States has for many years funded various USIA broadcasting, educational, and visitor programs in the former Soviet Union to promote democratic ideas. Beginning in the mid-1980s, NED, a U.S.-funded nongovernmental organization, provided small grants to dissident groups throughout the former Soviet Union and funds for journals, videos, and other materials that were distributed in Russia and elsewhere. In 1990, NED began funding political organizing and trade union development work by three of its core institutes.¹ In fiscal years 1990 and 1991, NED, in part through these core institutes, spent about \$3 million for activities in or directed toward Russia. Democratic development assistance to Russia increased during fiscal year 1992, after the Soviet Union dissolved. From fiscal years 1992 to 1994, the U.S. government, excluding USIA, provided over \$64.2 million in democratic development assistance to Russia, of which \$57.3 million was provided by USAID, \$5.8 million by NED, and \$1.1 million by the State Department for a DOD program. USIA was unable to provide specific funding information for its activities in Russia because

¹NED provides grants to four core institutes: the Free Trade Union Institute, The International Republic Institute, the National Democratic Institute, and the Center for International Private Enterprise. NED also has a discretionary grant program through which it provides small grants to other prodemocracy and human rights organizations.

they were funded under a regional project. Appendix I provides detailed information about U.S. democratic development assistance to Russia from 1990 to 1994.

The democracy assistance program in Russia seeks to capitalize on the historic opportunity to build democracy in place of a centralized Communist system. The U.S. program is meant not only to demonstrate U.S. political support for democratic reform in Russia but also to help create and nurture the full range of democratic institutions, processes, and values. U.S. efforts seek to increase the responsiveness and effectiveness of the Russian government, as well as the ability of Russian citizens to influence decisions affecting their lives. Toward that end, U.S. assistance provides support to independent media, democratic trade unions, reformist political parties, and other nongovernmental organizations. It also supports the Russian government's efforts to enhance election administration and election laws, strengthen the courts and other legal institutions, promote civilian control of the military, and improve the quality of public administration.

Results in Brief

U.S.-funded democracy projects have demonstrated support for and contributed to Russia's democracy movement. Organizations and institutions at the center of the democratic reform process have been identified and supported, as have thousands of Russian activists working at these organizations at the national, regional, and local levels. Those assisted include prodemocracy political activists and political parties, proreform trade unions, court systems, legal academies, officials throughout the government, and members of the media.

The democracy projects that we reviewed, however, had mixed results in meeting their stated developmental objectives. Russian reformers and others saw U.S. democracy assistance as generally valuable, but in only three of the six areas we reviewed did projects contribute to significant changes in Russia's political, legal, or social system. USAID and USIA media projects largely met their objective of increasing the quality and self-sufficiency of nongovernment or independent media organizations, although the weak economy continues to threaten the sustainability of an independent media. U.S. efforts to help develop a democratic trade union movement and improve Russia's electoral system also contributed to systemic changes, although more needs to be done. However, projects in the areas of political party development, rule of law, and civil-military relations have had limited impact. Our analysis indicated that the most

important factors determining project impact were Russian economic and political conditions. Project implementation problems contributed to the limited results achieved from the rule of law project.

State and USAID officials acknowledged that democratic reforms in Russia may take longer to achieve than they initially anticipated.

Democracy Projects Have Had Mixed Results

Independent Media

The U.S.-funded independent media program in Russia has helped raise the quality of print and broadcast journalism and contributed to Russia's movement toward an independent, self-sustaining local television network. USAID's Internews project, USIA's grant to the Russian-American Press Information Center (RAPIC), and a number of small grants awarded to Russian nongovernmental media organizations by NED and the Eurasia Foundation have strengthened independent media by donating equipment and broadcast materials to hundreds of local television stations, teaching reporting skills to print and broadcast journalists, and providing training in business and marketing to media managers.

According to the State Department, the growth of independent media in Russia began in 1990 during the Soviet era with the official abolition of press censorship. The new openness created a conducive environment for independent news reporting, as print and broadcast media, both still largely state-owned at the time, frequently aired views highly critical of the Communist government. Currently, print and broadcast media in Russia represent a wide range of opinions. Most operate unhindered from the Russian government and many are privately owned.

Russian and U.S. officials said that the principal threat to media independence in Russia today is the weak economy. For many media organizations, advertising revenues are insufficient for continued survival, forcing them into bankruptcy or joining larger affiliates, thereby curtailing their independence and capacity to produce their own programs. According to U.S. and other observers, many print and broadcast outlets also face pressure from local political authorities or from organized crime, in large part due to their dire financial situations.

Internews Network has developed an active working relationship with 200 of the approximately 500 over-the-air broadcasters that currently operate in the countries of the former Soviet Union,² the majority in Russia. The technical assistance, training, and programming that Internews provided enabled some local stations to become commercially viable, according to U.S. officials and Russian participants. These officials and participants also said that Internews has helped many stations that have not achieved full commercial viability by providing enough support to forestall bankruptcy, signing into sponsorship arrangements, or becoming affiliates of larger networks. (See app. II.)

Electoral Support

The USAID-funded election administration project, implemented by the International Foundation for Electoral Systems (IFES),³ has made important contributions to addressing the legal, institutional, and procedural shortcomings evident during Russia's December 1993 national elections. For example, it assisted in the development of Russia's Voting Rights Act—which was enacted into law during November 1994—and other legislation governing elections for the State Duma (the lower house of the Russian Parliament). Russia now has a permanent and more independent election commission, voting rights, and Duma election procedures that are based in law. This improved the situation prevalent in December 1993, when national elections were held by presidential decree, the Central Election Commission (CEC) chairman was appointed by the President, and the electoral process and administrative apparatus were holdovers from the Communist era. IFES has also worked with the CEC to develop electoral training and voter education programs to help ensure that electoral procedures are properly carried out and to increase the public's knowledge and participation in elections.

Nonetheless, IFES officials believe that more progress can be made in electoral reform; for example, legislation governing elections for the upper chamber of passed. Also, newly passed laws and procedures had yet to be applied and tested to ensure that shortcomings of the December 1993 elections, such as lack of ballot security and inadequate transparency of vote counting and election results, would not be repeated. (See app. III.)

²Internews officials initially estimated that 3,000 local television stations operate in the former Soviet Union, but many of these stations broadcast to no more than a few apartment buildings united by a cable. They later told us that 500 over-the-air broadcasting stations are currently operating in the former Soviet Union.

³In late summer 1995, IFES changed its name to the International Foundation for Election Systems.

Trade Union Development and Workers' Rights

Trade union development assistance in Russia, implemented through USAID and NED grants to the Free Trade Union Institute (FTUI),⁴ has helped increase the size and effectiveness of democratic trade unions. Using NED funds, FTUI provided important equipment and training for the first independent, non-Communist unions that arose in the late 1980s, that backed Boris Yeltsin and other reformers, and that played a key role in the breakup of the Soviet Union. Since then, FTUI's support for democratic unions, funded by USAID and NED, has helped increase the quality of Russian unions through an extensive education program. It has also assisted in forming regional and national union confederations and has helped increase the public's and government's knowledge of worker and union issues. In addition, by using funds, first from a NED grant, and then a USAID rule of law contract, FTUI has financially supported efforts to address worker' rights issues through Russia's court system.

Although FTUI has helped form or strengthen new democratic unions, it has been hampered by the continued influence of the successors to the official Communist trade unions, the inexperience and isolation of democratic unions, the apathy of Russian citizens, and the weakness of the economy. During the Soviet era, the Communist trade unions were inseparable from the party and state apparatus. According to U.S. and Russian officials, these old unions remain the largest in Russia, retain many of their assets from the Soviet era, and are therefore less dependent than the democratic unions on collecting dues. They also still exert control over many workers through their continued ability to dispense social welfare benefits in some locations.

FTUI has directly supported the largest of the independent labor unions, including Sotsprof (about 300,000 members), the Confederation of Maritime Workers, and the Independent Miners' Union of Russia (about 90,000 members each). Some Russian union leaders we met emphasized that the new independent unions give workers a voice, providing them an alternative to reactionary or nationalist political groups as the difficult economic situation in Russia continues. (See app. IV.)

Political Party Development

U.S.-funded political party development programs in Russia, implemented through NED and USAID grants to the National Democratic Institute (NDI) and the International Republican Institute (IRI), have not significantly strengthened reformist national political parties, either organizationally or in terms of increased membership or performance in elections. From 1990

⁴FTUI's funding is \$7.7 million through 1997 from USAID and \$5.3 million through 1995 from NED.

through 1992, NDI and IRI used about \$956,000 in NED funds to help the anti-Communist Democratic Russia Movement establish a printing facility and disseminate literature. They also conducted civic education and grassroots organizing programs for Russians at the national and local level. Since 1992, USAID has awarded NDI and IRI a series of grants with a combined value of \$17.4 million to conduct programs in Russia through 1997. USAID documents state that the overall purpose of these grants is to assist reformist political parties strengthen their organizations and their role in elections, Parliament, and local government.

NDI and IRI have developed relationships with many party officials and provided extensive training and assistance. However, because of the inhospitable environment in Russia for political party development, the institutes have had only minimal success in helping to strengthen reformist national political parties, either in their organization or in their election performance. Reformist parties—as demonstrated by their showing in the December 1993 and 1995 elections and by their difficulties in local elections—have been unwilling or unable to form coalitions, build national organizations, or convince large segments of the Russian public to support their political message. In the spring of 1995, USAID, anticipating the poor showing by reformist parties in the December 1995 parliamentary election and additional problems for reformists in the June 1996 presidential election, counseled NDI and IRI to direct more of their resources to working with grassroots nongovernmental organizations. (See app. V.)

Rule of Law

U.S.-funded rule of law activities conducted under the Democratic Pluralism Initiative⁵ have contributed to incremental improvements in reforming Russia's legal and judicial institutions, and they are beginning to help build a grassroots constituency for legal reform. Through an interagency transfer to the State Department and a grant to the American Bar Association, USAID supported Russia's limited reintroduction of jury trials and its first steps toward establishing an independent judiciary, as well as commercial law training for the Russian high arbitration court.

By the end of 1994, jury trials were operating in 9 of 89 regions in Russia, and the government had enacted legislation intended to increase the independence of the judiciary and to make many other reforms in the

⁵USAID's rule of law project dealing with commercial law reform (the International Reform and the Informal Sector project) was not included in our review because it was part of USAID's economic restructuring and financial project and not part of the Democratic Pluralism Initiative, and the Department of Justice's rule of law program was not included because it had not begun at the time of our fieldwork.

criminal justice system. However, the widespread reintroduction of adversarial jury trials was often not occurring as scheduled because the Russian Federation and the regional governments did not fund their implementation adequately, citing budgetary constraints. By the end of 1994, Russian judges were only beginning to assert their independence from other branches of government.

In late September 1993, USAID awarded a \$12.2 million, comprehensive rule of law project to ARD/Checchi to continue support for these reform efforts over a 3-year period, expand them to develop other Russian legal institutions, and encourage grassroots constituencies for legal reform. The project aimed to assist in the development of Russian legal institutions by supporting curriculum changes in Russian law schools, including the addition of commercial law courses and new substantive and procedural code reforms into the curriculum, establishing continuing education for bar associations, providing training to all judges of commercial law courts, and strengthening the new Constitutional Court and the role of the defense counsel in criminal cases. The contractor began to provide assistance in these areas in late 1994 and early 1995.

As part of its contract, ARD/Checchi also awarded a \$500,000 subcontract to FTUI to support efforts to address workers' rights issues through Russia's court system, and it is managing a \$2-million small grants program to support U.S. and Russian nongovernmental organizations' activities to promote the rule of law. As of May 1995, five grants had been awarded under this program.⁶

ARD/Checchi was slow to initiate its core project activities. According to USAID officials, the approximately 1-year delay in starting the project was due partly to the inability of U.S. embassy and USAID officials to respond to the contractor's proposed action plan and to clearly articulate what they expected of the contractor. In addition, it took some time for the contractor to (1) establish contacts and design projects with Russia's historically closed legal institutions and establish an office in Moscow, (2) become familiar with USAID's administrative procedures, (3) and negotiate and award contracts and grants to other nongovernmental organizations. It is too soon to evaluate the effectiveness of the contractor's efforts to support reform of the core legal institutions; however, officials from USAID, the State Department, and the Russian government said that systemic changes in Russia's legal institutions will be

⁶NED and the Eurasia Foundation also provide small grants to U.S. and Russian organizations that aim to promote the rule of law in Russia.

a long-term process, given that the needs in this area are vast and complex. (See app. VI.)

Civil-Military Relations

U.S. assistance projects intended to strengthen civilian control of the Russian military, including the International Military Education and Training (IMET) program and a USAID-funded Atlantic Council project, had not made much progress in addressing their goals, primarily due to a lack of interest by the Russian government.⁷ U.S. embassy data shows that from 1992 through 1994 the IMET program brought 37 civilian and military officials,⁸ primarily from the Ministries of Foreign Affairs and Defense, to the United States for training. However, according to the U.S. official responsible for managing the program, civilian candidates have been chiefly mid-level bureaucrats from the Ministry of Foreign Affairs who are not likely to advance to positions of authority. He indicated that the Ministry of Defense is leery of the program and has limited the participation of Russian military officers. The Atlantic Council's 2-year, \$626,500 grant from USAID, started in 1992, was hindered by the Council's inability to identify and select Russians to participate in its training programs.

According to DOD, the IMET program is primarily a long-term effort to influence the younger, promising officers of foreign militaries who will rise to positions of prominence during their careers. However, evidence indicates that little progress had been made in identifying and selecting promising officers who are likely to rise to positions of prominence, apparently because the Russian government was unwilling to fully use the IMET program.

U.S. embassy officials told us that the Russian military retains firm control of its sphere of operation and that few in-roads have been made to exert greater civilian control. According to one embassy official, even the Russian Parliament has limited detailed knowledge of the military budget. Uniformed officials are also predominant at the Russian Ministry of Defense. U.S. embassy officials said that political circumstances in Russia

⁷Program management for the IMET program is divided between the State Department and DOD. The Secretary of State is responsible for the program's general direction, and he also recommends funding levels for congressional approval and allocates approved funds to each country. The Secretary of Defense is responsible for planning and implementing the program, including administration and monitoring, within established funding levels.

⁸DOD said that the number of participants published in its annual Congressional Presentation Document is gathered indirectly and may vary somewhat from the number provided by the U.S. embassy, but that the embassy count is more accurate.

make the implementation of a U.S. civil-military program in Russia very difficult. There is general antagonism to Western assistance from some quarters of the government and some suspect that civil-military assistance is designed to further weaken Russia militarily. Also, deep cuts in defense spending have made the process of greater civilian control in the Ministry of Defense more complex, as significant hiring of civilian employees is unlikely, especially with the large numbers of currently unemployed military officials. (See app. VII.)

State and USAID Views on the Future of U.S. Democracy Assistance in Russia

When USAID began providing democratic development assistance in Russia, it did so without conducting needs assessments or developing a country strategy, as it was under considerable pressure to implement projects quickly. Instead, USAID relied on unsolicited proposals that largely replicated democracy assistance programs underway in Central and Eastern Europe, using many of the same contractors and grantees.

State and USAID officials now believe that democratic reforms in Russia may not be as easily or quickly consolidated as they had originally hoped. They are now focusing less on assisting national institutions and short-term political events, such as elections, and are emphasizing more long-term development of local, grassroots organizations capable of building a popular consensus for democratic reform. According to these officials, this means that it may be desirable for the United States to continue democratic development activities in Russia after assistance in the economic reform arena has ended.

Agency Comments

USAID, USIA, and DOD generally agreed with our report, but they suggested minor changes that were incorporated where appropriate. State said that we should have discussed how the Department of Justice's rule of law program and DOD's exchange program conducted under the Cooperative Threat Reduction program contribute to democratic development. We agree that law enforcement assistance can contribute to democratic development; however, the Department of Justice's project had not begun at the time of our fieldwork in Russia. (We are currently evaluating this project as part a review of U.S. anticrime assistance to the former Soviet Union.) According to DOD, the Cooperative Threat Reduction program is not democracy-related, although it does occasionally fund some democracy-related activities.⁹

⁹Promoting Democracy: Foreign Affairs and Defense Agencies Funds and Activities—1991 to 1993 (GAO/NSIAD-94-83).

NED agreed with our general conclusions but said we should have included projects by the Center for International Private Enterprises in our review because the Center's projects also helped build a constituency for free market democratic reforms. Although the Center's projects may have contributed to democratic reforms, the primary focus of the Center's projects was to promote privatization and promarket reforms, two areas outside the scope of our review.

NED also provided us with written comments of NDI and IRI, two of NED's core institutes that have operated in Russia primarily as USAID grantees. Both NDI and IRI indicated that the development of reformist political parties in Russia may take many years. NDI said that its programs have produced positive results and that by their nature, these programs are often long-term investments in individuals, institutions, and processes. IRI said its approach has been to help those Russians dedicated to democracy begin to build democratic parties up from the grass roots. However, evidence indicates that little progress had been made toward the development of reformist political parties despite NDI and IRI's efforts.

Comments from State, DOD, USAID, USIA, NED, IRI, and NDI are reprinted in appendixes VIII through XIV, respectively.

Scope and Methodology

We used the State Department's definitions to determine which assistance programs were democracy-related. These programs included civic education and organization, civil-military relations, human rights training, election reform, media training and development, and legislative, rule of law, political party, trade union, and public administration development. Our scope was limited to an evaluation of projects in the areas of independent media, rule of law, political party development, trade union development, electoral assistance, and civil-military relations.

We interviewed numerous U.S. government officials in Washington, D.C., who manage and coordinate their agencies' democracy assistance to Russia, specifically, officials from the State Department, USAID, DOD, and USIA. We also met with NED officials and officials from NDI, IRI, FTUI, IFES, Internews, ARD/Checchi, the American Bar Association, and the Eurasia Foundation. We reviewed (1) agencies' strategy papers, program documents, project evaluations, and budget data and (2) grantees' internal documents, such as trip reports, and their official reporting to the U.S. government on the status and impact of their projects. We also verified the scope of work of some nongovernmental organizations—both Russian and

American—that received selected small grants from the Eurasia Foundation and NED.

We visited five Russian cities, in addition to Moscow and St. Petersburg—one north of St. Petersburg, two in the Black Sea region, and two in southwest Siberia. While in these cities, we met with U.S. embassy and agency officials who manage and coordinate democracy projects, as well as in-country staff of USAID and USIA contractors and grantees who implement the projects. In addition, we interviewed Russian government officials in the presidential administration, government ministries, and the State Duma to obtain their assessment of U.S.-sponsored democracy projects. We also interviewed numerous Russians who received U.S. training, technical assistance, and financial or material donations, including judges, legal administrators and practitioners, political party organizers, activists and candidates for local elections, union leaders and members, station managers, broadcast technicians, print journalists, election officials, and representatives from women and youth groups. Also, we attended a number of meetings, seminars, and training sessions held or organized by the U.S. contractors or grantees to observe their activities.

We did not evaluate USAID's public administration and nongovernmental organization support projects. We also did not evaluate the University of Maryland's and the Harvard Institute for International Development's legal reform activities because they are sponsored under USAID's Economic Restructuring Project rather than its democracy initiative, although we recognize the link between these programs. We did not review the effectiveness of democracy-related USIA and USAID exchange and visitor programs due to the difficult and time-consuming task of locating individual program participants.

We conducted our review between March 1994 and September 1995 in accordance with generally accepted government auditing standards.

We are sending copies of this report to the Secretaries of State and Defense, the Administrator of USAID, the Director of USIA, the President of NED, and the Chairmen and Ranking Minority Members of the appropriate congressional committees. We will also make copies available to others upon request.

Please call me at (202) 512-4128 if you or your staff have any questions concerning this report. The major contributors to this report are listed in appendix XV.

A handwritten signature in black ink, reading "Harold J. Johnson". The signature is written in a cursive style with a large, stylized "H" and "J".

Harold J. Johnson, Associate Director
International Relations and Trade Issues

Contents

Letter	1
Appendix I U.S. Democratic Development Assistance to Russia (Fiscal Years 1990 to 1994)	18
Appendix II Independent Media	22
Internews Helps Strengthen Local Independent Television	23
RAPIC's Support for Print Media	25
Small Grants to Media Organizations	25
Appendix III Electoral Assistance	27
Numerous Problems Evident During December 1993 Elections	28
IFES Has Contributed to Some Improvements	29
Appendix IV Trade Union Development and Workers' Rights	30
Early Support for Independent Trade Unions	31
FTUT's Contribution to Independent Trade Unions	32
Appendix V Political Party Development	37
Reformist Parties Did Poorly in December 1993 Elections	38
Reformist Parties Remain Weak	39
Russian and U.S. Views on Political Party Assistance	41
Appendix VI Rule of Law	45
Support for Jury Trials and an Independent Judiciary	45
Limited Support Thus Far for Other Russian Legal Institutions	47
Assistance to Civic Organizations	50

Appendix VII		51
Civil-Military	IMET Program	51
Relations	Atlantic Council Program Limited	53
Appendix VIII		54
Comments From the		
Department of State		
Appendix IX		56
Comments From the		
Defense Security		
Assistance Agency		
Appendix X		58
Comments From the		
U.S. Agency for		
International		
Development		
Appendix XI		60
Comments From the		
United States		
Information Agency		
Appendix XII		63
Comments From the		
National Endowment		
for Democracy		

Appendix XIII Comments From the International Republican Institute	66
Appendix XIV Comments From the National Democratic Institute for International Affairs	71
Appendix XV Major Contributors to This Report	83
Table	Table I.1: Estimated Obligations for U.S.-Funded Democratic Development Assistance in Russia, ^a Fiscal Years 1990-94 19

Abbreviations

CEC	Central Election Commission
DOD	Department of Defense
FTUI	Free Trade Union Institute
IFES	International Foundation for Electoral Systems
IMET	International Military Education and Training
IRI	International Republican Institute
NDI	National Democratic Institute for International Affairs
NED	National Endowment for Democracy
RAPIC	Russian-American Press Information Center
USAID	U.S. Agency for International Development
USIA	U.S. Information Agency

U.S. Democratic Development Assistance to Russia (Fiscal Years 1990 to 1994)

U.S. democracy assistance to Russia includes projects funded or implemented by a number of agencies, including the U.S. Agency for International Development (USAID); the Department of Defense (DOD); and the U.S. Information Agency (USIA) through its annual grants to the National Endowment for Democracy (NED). Table I.1 summarizes these programs.

Appendix I
U.S. Democratic Development Assistance to
Russia (Fiscal Years 1990 to 1994)

Table I.1: Estimated Obligations for U.S.-Funded Democratic Development Assistance in Russia,^a Fiscal Years 1990-94

Dollars in Thousands

Agency	FY 1990	FY 1991	FY 1992	FY 1993	FY 1994	Total
USAID						
Democratic Pluralism Initiative			\$3,376	\$13,268	\$35,368	\$52,013^b
Eurasia Foundation ^c				300	2,300	2,600
Exchanges and training ^d					2,681	2,681
Subtotal			3,376	13,568	40,349	57,294^b
DOD						
International Military Education and Training			153	471	471	1,095
USIA/NED						
National Democratic Institute	165 ^e	238 ^e	100	32		535
International Republican Institute	50 ^e	326 ^e	77 ^f	84		537
Free Trade Union Institute	350 ^g	1,000 ^g	1,420 ^g	1,482	1,046	5,298
Discretionary grants	382	512	280	483	808	2,465
Subtotal	947	2,076	1,877	2,081	1,854	8,835
Total	\$947	\$2,076	\$5,406	\$16,120	\$42,674	\$67,224^b

^aFunding is reported as obligations, except for Eurasia grants, the International Military Education and Training (IMET) program, and NED grants, which constitute grant totals for the fiscal year. Activities funded by all organizations may extend into subsequent fiscal years.

^bFigures do not add due to rounding.

^cOnly includes democracy-related Eurasia grants, such as those related to media, the nonprofit sector, and governmental reform.

^dThis figure is the portion of USAID's exchanges project used to support democracy projects.

^eAlthough these funds were primarily for activities in Russia, a portion was used for activities in other former Soviet republics.

^fEstimated amount from a regional grant that covered three republics of the former Soviet Union.

^gFor fiscal years 1990 through 1992, the Free Trade Union Institute figures include funds for all programs throughout the former Soviet Union. Its fiscal year 1990 figure also includes funds for activities in the Baltic States.

Source: USAID, DOD, and NED.

As indicated in table I.1, the majority of USAID democracy-related funding in Russia involved grants awarded under its Democratic Pluralism Initiative for the New Independent States. Major activities funded by USAID

in Russia under this initiative include efforts to develop and strengthen independent media, new democratic trade unions, reformist political parties, laws and legal institutions, election processes, local government, nongovernmental organizations, and civilian control of the military. Some activities under this initiative are implemented through transfers from USAID to other agencies, such as to USIA for journalist training and to State for rule of law activities. Other USAID democracy-related activities in Russia not part of the initiative include funding for the Eurasia Foundation, which awards small grants for media, public administration, and other projects, and an exchange program USAID uses to support all its assistance projects.

DOD shares program management for the IMET program with the State Department. The Secretary of State is responsible for the program's general direction, and he also recommends funding levels for congressional approval and allocates approved funds to each country. The Secretary of Defense is responsible for planning and implementing the program, including administration and monitoring, within established funding levels.

NED provided about \$8.8 million from its annual USIA grants for democracy-related activities in Russia from fiscal years 1990 through 1994. Of that amount, about \$6.4 million was spent on activities implemented by three of NED's four core institutes—the National Democratic Institute, the International Republican Institute, and the Free Trade Union Institute—which have also received significant USAID funding. This figure is somewhat overstated because the Free Trade Union Institute's figures for fiscal years 1990 through 1992 include funds for all of its activities in the former Soviet Union; based on the data available, we could not estimate the amount of funds that were spent on activities in Russia.

The remaining NED funds were for its small grants program, which from fiscal years 1990 through 1994 included 64 grants ranging between \$10,000 and \$100,000 in support of human rights, civic education, public advocacy, and media projects. NED's fourth core institute, the Center for International Private Enterprise, spent about \$572,000 in Russia from fiscal years 1992 through 1994, primarily for grants to governmental and nongovernmental organizations that seek to promote privatization and promarket reform.

Other USIA programs in Russia currently involve a wide variety of exchange programs and educational and cultural activities, many of which are intended to directly support Russia's transition to democracy. USIA told us

Appendix I
U.S. Democratic Development Assistance to
Russia (Fiscal Years 1990 to 1994)

it does not maintain specific country funding information because its activities were funded under regional projects.

Independent Media

The purpose of the U.S.-funded independent media program in Russia is to ensure the quality and self-sufficiency of nongovernment or independent media organizations so that the Russian people have access to truthful information and a forum for open expression. U.S. media projects seek to raise the reporting skills of journalists, provide training in business and marketing to media managers, donate equipment and broadcast material, and facilitate sharing of news information. We reviewed USAID's 3-year, \$4.9 million grant to Internews Network; USIA's 3-year, \$600,000 grant to the Russian-American Press Information Center (RAPIC); and a number of small grants awarded to Russian nongovernmental media organizations by NED and the Eurasia Foundation. Overall, we found that the independent media program has helped expand and raise the quality of news reporting throughout the Russia Federation. Nonetheless, independent media in Russia remains insecure, as the difficult economic environment limits advertising revenue while political intimidation against the media continues to be exercised by some regional and local authorities.

The growth of independent media in Russia began in 1990 during the Soviet era with the official abolition of press censorship.¹ The new openness created a conducive environment for independent news reporting, as print and broadcast media organizations, still largely state-owned at the time, frequently aired views highly critical of the Communist government.² Currently, most media organizations operate unhindered by the Russian government and many are privately owned. The principal threat to media independence in Russia today is the weak economy,³ according to U.S. and Russian officials and State Department reporting. For many organizations, advertising revenues are insufficient for continued survival, forcing them into bankruptcy or into joining larger affiliates, thereby curtailing their independence and capacity to produce their own programs. Print and broadcast organizations also face pressure from local political authorities or from organized crime. Media organizations are susceptible to such pressure because of their dire financial situations and because many occupy city-owned premises, receive subsidies, or depend on government-owned enterprises for supplies.

¹This information is drawn from the State Department's human rights reports on Russia from 1990 to 1994.

²Freedom of speech was briefly curtailed during the failed pro-Communist coup in August 1991, and again in late 1993 during the standoff between President Yeltsin and the Parliament of the Russian Federation.

³The U.S. government supports Russia's macroeconomic policy reforms through USAID's Economic Restructuring Project. This project was outside the scope of our review.

Media coverage of the conflict in Chechnya was remarkably open, as views highly critical of the government were aired by both state and privately-owned television stations and newspapers. Nonetheless, according to the State Department's 1994 Human Rights Report, the Russian government limited access by journalists to some areas of the conflict, claiming the need to protect military secrets and ensure journalists' safety.

Internews Helps Strengthen Local Independent Television

The purpose of the Internews project is to aid in the establishment of an independent, self-sustaining television news network to facilitate alternatives to state-owned television. The project is part of a regional grant that also includes activities in Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, and Ukraine. Project components include (1) journalist and management training programs; (2) equipment procurement; (3) production and distribution of a weekly news program utilizing news reports from local stations; (4) production of public affairs documentaries; and (5) acquisition and distribution of low cost, quality programming to participating stations to raise viewership and advertising revenue.

Our review of the Internews project indicates that it has made a significant contribution toward achieving its purpose. Internews is the only organization of its kind operating in the former Soviet Union to assist fledgling local independent television stations. The technical assistance, training, and programming that Internews provides have helped some local stations to become commercially viable, according to U.S. officials and Russian participants. According to Internews officials, Internews has also helped many stations that have not achieved full commercial viability by providing enough support to forestall them from entering bankruptcy, signing into sponsorship arrangements, or becoming affiliates of larger networks.

Of the 500 over-the-air broadcasters that currently operate in the former Soviet Union,⁴ 200, the majority in the Russian Federation, have an active working relationship with Internews. At the national level in Russia, privately owned broadcast companies, such as NTV and TV6, have emerged and challenged the dominance of the state-owned national broadcasting companies. While the state-owned companies are only minimally supervised by the government, the privately owned broadcast

⁴Internews officials initially estimated that 3,000 local television stations operate in the former Soviet Union, but many of these stations broadcast to no more than a few apartment buildings united by a cable. They later told us that 500 over-the-air broadcasting stations are currently operating in the former Soviet Union.

companies nonetheless provide competition and diversity to state broadcasting, particularly in Moscow and other large urban centers. According to State Department and Internews officials, television stations at the regional level, some of which were once part of the central broadcasting system of the Soviet-era, now operate more or less independently. They can choose affiliation to one of the state or private national networks and can use material from these networks or produce their own local programming. The ability of these stations to produce their own local programming provides diversity to news and information, which traditionally has been Moscow-centric. According to Internews, the greatest hindrance to the development of independent local television is the unstable economic situation. Additionally, all local stations depend to some extent on local political authorities.⁵

The Internews project has helped strengthen local independent television stations through the following activities.

- Conducting over 60 training programs in journalism, station management, advertising, and other commercial survival skills to over 2,000 station personnel and journalists. Russian participants told us the training sessions were very beneficial and were state-of-the-art. They said the training was hands-on and relevant to running a modern, commercially viable television station.
- Providing grants of video equipment to stations that either lack or have outdated video technology and making available production equipment free of charge to support Russia's indigenous documentary film industry.
- Organizing a network of over 110 independent television stations throughout Russia and neighboring countries, which helps pool limited programming resources.
- Coordinating production of Local Time—a weekly half hour news program. This program is distributed to any interested local station and is estimated to reach an audience of 100 million people in five countries. As of April 1995, Internews had produced over 110 episodes, with over 40 local stations in Russia alone contributing stories from their regions.
- Producing several docudramas—What If—on topical legal and political issues, including commercial law, civil law, privacy rights, and private property rights.
- Acquiring and distributing quality Western and domestic documentary programming to over 170 Russian stations free of charge to attract viewers

⁵According to Internews officials, broadcasting is also potentially susceptible to national government control due to the government's monopoly of transmission facilities.

and advertisers—thereby increasing the economic viability of these stations during this transition period.

- Linking more than 20 regional independent stations in a computer-based electronic mail network for purposes of editorial coordination and information exchange.

As the Internews project was about to end at the time of our fieldwork, USAID awarded a new \$10 million, 3-year consortium grant to Internews and RAPIC to implement a media partnership program. The program will place U.S. media organizations in association with Russian counterparts to facilitate the transfer of U.S. management expertise, training, equipment, and other resources. However, it was too soon to determine the effectiveness of this project.

RAPIC's Support for Print Media

The objective of the RAPIC grant, which is funded by USIA, is to develop a stable, profitable press in Russia. Elements of RAPIC's program include (1) management training workshops, (2) journalist training seminars, (3) establishment of regional centers to serve as information clearinghouses, and (4) sponsorship of press conferences to provide a forum for an exchange of ideas. Our review of this grant indicates that RAPIC's regional centers have helped strengthen the print media in the regions they serve. The centers provide training to Russian journalists, access to wire services and on-line data bases, and serve as a meeting place for print and broadcast journalists and a forum for press conferences on a variety of topics, including politics, economics, science, and the arts. According to U.S. officials and Russian journalists we met with at RAPIC centers in Moscow, St. Petersburg, and Novosibirsk, the quality of journalistic reporting has increased notably, especially among the small, regional newspapers. These officials credited the training journalists received and the access to new sources of information by RAPIC for the improved reporting. They told us that while the quality of journalism in Russia is still in need of improvement, newspapers are reporting news in a more objective fashion.

Small Grants to Media Organizations

The Eurasia Foundation and NED provided small grants, ranging from \$10,000 to \$110,000, to Russian and U.S. nongovernmental organizations for institutional training and budgetary support to Russia's grassroots media organizations. They also financed specific media projects that provide a prodemocracy angle to Russia's economic and political reform

process. Some of the grants funded by the Eurasia Foundation were made to

- Freedom Channel, for a three-part television series on the dangers and remedies of hyperinflation;
- Duke University, for several projects of the Commission on Radio and Television Policy, including production of a media policy guidebook and an exchange program;
- Freedom Channel, in conjunction with Persona, an independent Russian television production company, for the development and broadcast of programming related to economic reform and prodemocracy topics such as conflict resolution and freedom of speech;
- Globe Independent Press Syndicate, for the “Freedom Link Computer Network” that provides international sources of information to regional newspapers in Russia by electronic mail; and
- KSKA Anchorage, for a training program on radio and television production, basic journalism and communication, and business practices for managers and reporters from radio and television in the Russian Far East.

Some of the grants funded by NED went to

- New Times, for a series of articles exposing the threat of Russian nationalists, fascists, and other extremist organizations and increasing the appeal of democratic solutions to Russia’s problems;
- Panorama, for the research, publication, and the maintenance of a database on political organizations and political personalities throughout the former Soviet Union;
- Express Chronicle, an independent Russian-language weekly newspaper published in Moscow that specialized in human rights reporting;
- Globe Press Syndicate, for a syndication service that provided small regional newspapers with prodemocracy news and more varied and detailed information about political, economic, and social changes taking place in Russia; and
- Freedom Channel/Persona, a joint American and Russian television project, for the production of prodemocracy documentaries on such topics as conflict resolution and freedom of speech.

Electoral Assistance

The United States helped Russia improve its election administration through a USAID grant to the International Foundation for Electoral Systems (IFES).¹ This 3-year, \$10.7 million regional grant enabled IFES to work in any country of the former Soviet Union, provided it has U.S. and host country approval. In Russia, the IFES project objectives were to help make elections free and fair and increase public participation. IFES conducted a pre-election technical assessment in Russia in June 1993. It subsequently served as a key advisor to Russia's Central Election Commission (CEC) prior to the December 1993 elections. Since then, IFES has been working to help Russian organizations rectify many of the legal, institutional, and administrative shortcomings made evident during the elections.

IFES has made several important contributions to improve Russia's electoral administration structure, including contributing to passage of Russia's Voting Rights Act in November 1994 and more recently legislation governing elections for the State Duma (the lower house of the Russian Parliament). These laws establish a permanent and more independent election commission, as well as voting rights and Duma election procedures based in law. This situation compares favorably to the situation in December 1993, when elections were held by presidential decree, CEC members were appointed by the President, and the electoral process and administrative apparatus were holdovers from the Communist era. IFES has also worked with the CEC in developing electoral training and voter education programs to ensure that electoral procedures are properly carried out and to increase the public's knowledge and participation in elections.

Nonetheless, despite these efforts, IFES officials believe that more needs to be done to ensure that future elections in Russia will be free and fair. As of our review, legislation governing elections for the upper chamber of Parliament or for regional and local political bodies still had to be passed. Moreover, newly passed laws and procedures still had to be applied and tested in practice. Countrywide local elections held in 1994 raised concerns about future national elections, as these elections were marked by many irregularities and low voter participation.

¹In late summer 1995, IFES changed its name to the International Foundation for Election Systems.

Numerous Problems Evident During December 1993 Elections

IFES provided advice and equipment and coordinated international observers for the CEC prior to the 1993 elections but did not have much of an impact on how the elections were administered. According to U.S. officials and IFES reporting, the elections displayed several shortcomings.² For example, the CEC lacked independence, particularly from the presidential administration. Presidential decrees continually undermined CEC decisions, and after the election it was the presidential administration, rather than the CEC, that controlled the ballots and first announced the election results.³ There were also problems stemming from ballot security, incomplete and inconsistent election regulations, insufficient election commodities and technology, and inadequate oversight of campaign finances.

IFES's limited impact was due to the difficult political circumstances in which the elections were held and the short period of time available to address shortcomings in the electoral system. The December 1993 elections were called in September 1993, in the midst of a violent standoff between the executive and legislative branches. No legally established, independent apparatus existed in Russia to administer national elections, as President Yeltsin simply appointed the CEC by decree, while leaving intact 88 regional, district, and local commissions that were holdovers from the Soviet era. Such commissions remained closely tied to local political and administrative bodies, themselves little changed since the Soviet era.⁴ As IFES pointed out in its technical assessment published in November 1993,⁵ Russia's election administration system suffered from numerous problems on the eve of the December 1993 elections, including weak mechanisms to protect against ballot and electoral fraud and a Russian populace with no experience in multiparty voting.

²The elections were selection of a new Parliament and approval of a proposed constitution.

³Many observers believe that the Constitutional referendum was invalid due to insufficient voter turnout. According to U.S. officials, complete protocols for all local polling sites were never made available to the CEC and may have been destroyed.

⁴The electoral apparatus that was used to supervise the mostly one candidate, one party elections that were held during the Soviet era remained mostly intact after the collapse of communism, as no national elections were held in Russia after the breakup of the Soviet Union until December 1993, with the exception of the April 1993 national referendum. As a result, the election system had no grounding in Russia's new legal system and strong ties remained between officials in local electoral commissions and in other political or administrative bodies.

⁵"Elections in Russia: A Technical Assessment," International Foundation for Electoral Systems, Nov. 10, 1993

IFES Has Contributed to Some Improvements

Since the 1993 elections, IFES has worked to ensure the CEC's independence and strengthen Russia's election administrative processes. Examples of IFES project activities follow:

- Providing advice and written commentaries on electoral legislation and other election-related initiatives. In November 1994, Russia passed a Voting Rights Act, which established the CEC and the regional commissions as permanent, legal bodies and ensured political balance in the appointment of commissioners. Since the passage of the act, a new CEC has been appointed. The act reflected IFES's recommendations and included provisions on ballot security, publication of election results, regulations on campaign financing, and mechanisms to improve oversight of local commissions. Its advice and comment were also reflected in recently passed legislation governing elections to the State Duma and to draft laws on presidential elections, public referenda, and local elections.
- Helping design and institute a training program for election officials and poll workers to ensure the application and enforcement of new legislation.
- Organizing conferences with CEC, State Duma members, presidential administration officials, and political party leaders to discuss the role of the CEC and the rights and responsibilities of political parties under the new election laws.
- Holding roundtable discussions on such topics as ballot security, polling procedures, grievance adjudication, and reporting election results.
- Assisting in the establishment of an electoral archive in order to create an institutional memory of elections in Russia.
- Designing and implementing a national voter education program in conjunction with the CEC, Ministry of Education, and the media, to provide voters with nonpartisan election information.

CEC officials indicated they value their collaboration with IFES and hope it continues. Although they believe they have made progress in improving Russia's electoral administration system, they said it would take the experience of holding many elections before elections would run smoothly. U.S. and IFES officials also agree that more work is needed to improve electoral administration, including the passage of additional electoral legislation and assurances that such legislation will be appropriately applied. For example, despite the activities and accomplishments of the CEC and IFES, local elections held throughout Russia over the past 18 months have not fared well. According to IFES officials, the winners of these elections regularly included the heads of local administrations—who were often responsible for the organization of the elections.

Trade Union Development and Workers' Rights

U.S. financial support for the development of democratic trade unions and support for workers' rights in Russia was provided through NED and USAID grants to the Free Trade Union Institute (FTUI) of \$5.3 million for activities from 1990 through 1995 and \$7.7 million for activities from 1992 through 1997, respectively. The purpose of U.S. support of democratic trade unions is to give workers a means of participating in the new political and economic environment. According to program documents and U.S. and Russian officials, if workers are not given a voice during this transitional period and believe that free markets and democracy only work to their disadvantage, then they could pose a threat to social peace and political and economic development.

Trade union development assistance in Russia has helped increase the size and effectiveness of democratic trade unions. FTUI provided important support for democratic trade unions early in their existence, at a time when unions were challenging the Soviet system. The first independent, noncommunist unions in the former Soviet Union arose in the mining regions of Siberia in the late 1980s. These unions backed Boris Yeltsin and Democratic Russia and other reformist groups and played a key role in the breakup of the Soviet Union. FTUI supported these unions by providing them with equipment and training in Russia and the United States. FTUI's support for democratic unions since the breakup of the Soviet Union has helped increase the quality of Russian unions through an extensive education program. It has achieved some success in increasing the size of some unions, assisting in the formation of regional and national union confederations, and increasing the public's and government's knowledge of worker and union issues. It also financially supports increasingly effective efforts to address workers' rights issues through Russia's court system.

FTUI's efforts to help form or strengthen new democratic unions, nonetheless, have been hampered by the continued control the successors to the official Communist trade unions have over workers, as well as by the inexperience and isolation of democratic unions, the apathy of Russian citizens, and the weakness of the economy. The old official unions remain the largest unions in Russia. During the Soviet era, they were inseparable from the oppressive party and state apparatus and until the final years were the only unions allowed. They retain many of their assets, and so are less dependent than the democratic unions on collecting dues. They also still exert control over many workers through their continued ability to dispense social welfare benefits in some locations. The old official unions have been less receptive to reform; for example, they supported the

leaders of Parliament in their efforts during the fall of 1993 to overthrow President Yeltsin.

Early Support for Independent Trade Unions

The independent Soviet workers' movement began as a mass movement in the summer of 1989. With NED funding from 1990 through 1992, FTUI established relationships with and provided financial and other support for the most important independent or democratic unions in Russia, including the Independent Miner's Union, the Seafarer's Union, and Sotsprof. Initially, mine workers were the largest source of independent trade union activity in the Soviet Union, with independent miners' unions generally aligning themselves with the new government of the Russian Republic, led by Boris Yeltsin. During the miners' strike in the spring of 1991, miners repeated demands first raised in 1990 for radical changes in Soviet political and economic life, including the resignation of top Soviet leaders, and forced the government to cede power from Moscow to republic-level coal ministries.

Following the 1989 strikes, FTUI provided the Independent Miners' Union and other independent unions with equipment, training, and technical advice and brought independent union leaders to the United States for training. Officials we met with representing some of Russia's first independent or democratic unions, which today comprise the largest democratic unions, told us they greatly appreciated and benefited from FTUI's support during the early days of their unions' existence. At the time of our review, many of the early union leaders who were supported by FTUI were working in the government, where, according to union officials, they were attempting to get the government to address labor issues.

According to State Department reporting, the growth in independent trade unions occurred as the Soviet Union's Supreme Soviet and later the Russian government passed laws that formally established the right to strike, improved the legal conditions for independent trade unions, and provided for the right of workers to form or join trade unions. However, increases in the size and number of independent trade unions were slowed by an economy in crisis; legal harassment and physical violence related to union organizing activities, including threats and intimidation from enterprise management, who, according to free union officials, had the passive support of nonindependent union officials and local politicians; and official trade unions maintaining effective, day-to-day control over the social insurance fund, from which it dispersed benefits such as workers' vacations and sick pay. Independent union leaders considered the

continued control of the insurance fund by official trade unions the biggest obstacle to establishing independent unions.

FTUI's Contribution to Independent Trade Unions

Beginning in 1992, FTUI's direct support for unions, education, outreach and information dissemination, and legal assistance programs have made varying contributions to the development of new, democratic labor unions. However, two of FTUI's activities—specifically the research activities of the Russian American Foundation for Free Trade Union Research and a grant to a human rights organization for a media project—did not make significant contributions to either trade union development or workers' rights.

Direct Support for Unions

FTUI's NED-funded direct support for unions includes training union organizers, subsidizing the salaries of staff and organizers, and providing equipment. After early successes with the Independent Miners' Union from 1990 through 1992, FTUI's assistance for union organizing slowed during 1993, as FTUI staffers were focused on starting their USAID-funded program and the Russian director of the organizing activities became ill. However, during the first quarter of fiscal year 1994, FTUI-assisted organizers participated in 40 registration campaigns, helping organize over 3,000 new members for various unions in five different regions. Currently, these organizers are focused on training a cadre of Russian organizers to work directly with unions. In addition to providing training for union organizers, FTUI directly supports unions by paying the salaries of Russian staffers or interns at several national trade union structures who have, among other things, helped organize unions in several regions, advised unions on draft legislation, and devised wage provisions for tariff agreements. According to FTUI, the efforts of one intern to revise the charter of the Independent Miners' Union directly led to the doubling of that union. In addition, FTUI has spent up to \$20,000 per quarter since 1991 on donations of computers, fax machines, and other office equipment for the Independent Miners' Union and other unions. We observed FTUI-donated equipment at the headquarters of a regional affiliate of the miners' union in Siberia and found that it was in good working condition; officials described it as essential to their operations.

FTUI has directly supported the largest of the independent labor unions, including Sotsprof (about 300,000 members), the Confederation of Maritime Workers (about 86,000 workers), and a regional affiliate of the Independent Miners' Union of Russia (about 95,000 members). According

to FTUI and U.S. officials, the independent labor movement grew to between 3 million and 5 million workers by late 1994, out of a total workforce of 60 million to 75 million, the large majority of which belonged to unions. About 2.2 million members of the independent labor unions are part of the Mining and Metallurgy Union, which broke away from the old official trade union in 1993; this union has received FTUI's help in its reform efforts since then.

According to State Department human rights reports, growth in the democratic workers' movement during 1991 and 1992 resulted in several hundred union-like organizations forming across Russia; however, most were small and served more as workers' associations and did not appear to carry out traditional labor activities. A FTUI official told us that many of the unions that FTUI helped register over the past few years were not true trade unions because of their small size. Under Russian law, organizations can register as unions with membership as small as 15 people.¹ At the time of our visit, FTUI was beginning to explore ways of helping these small organizations become larger, viable unions.

In 1994, the majority of Russian workers still belonged to the old official union, the successor to the Soviet-era Communist union center, even as the membership declined from 65 million to 50 million. Despite the loss of members, the old official union retained its historical influence with the government and enterprise management, as well as many of the privileges and control mechanisms that existed in the Soviet era.

The decision of the Mining and Metallurgy Union to split from the old official union raises an issue of whether FTUI should work with this union to facilitate additional splits. FTUI generally opposes working with the former Communist party unions because it believes these unions are not reformable and any relationship could undermine its work with proreform unions. FTUI believes it is more effective to build new union structures rather than attempt to reform the old official unions, as these unions are led by enterprise managers and former Communist party functionaries. Additionally, FTUI officials said that the Mining and Metallurgy Union is unique in supporting reform and still has a long way to go in changing the way it operates. A U.S. embassy official we spoke with was sympathetic to FTUI's position; however, this official believed there may be some opportunity for FTUI to facilitate splits within the old official Communist union.

¹We asked this official to provide us with data on the number and membership of trade unions that FTUI helped register. The official was unable to do so because its Moscow office had been destroyed by fire.

Despite FTUI's position against working with the old official union, since 1992 FTUI has provided the American Federation of Teachers with \$160,000 to, among other activities, help members of the old official union democratize their affiliated unions or to form or join independent trade unions. However, FTUI officials recognized many obstacles to getting more unions to break away from the official trade union. In commenting on this report, USAID said that it fully supported FTUI's opposition to working with the official trade union. USAID believes that FTUI's strategy of building new union structures is the appropriate course of action.

Education

FTUI helped independent trade unions to improve their operations through an extensive education program for union leaders and members. This program was implemented by FTUI in 1991 and 1992 with NED funding. Since 1993, the education department of the Russian-American Foundation for Trade Union Research and Education, an organization FTUI created with USAID funding, has managed this project. From 1992 through 1994, about 15 seminars and conferences were held in about 8 cities, covering issues such as collective bargaining, protecting workers' rights in the courts, and union organizing. Union members we met praised FTUI educational seminars and conferences, particularly those focusing on legal issues such as how to favorably resolve employer-employee disputes.

Outreach and Information Dissemination

FTUI's outreach activities—funded by USAID and NED—entail frequent trips by FTUI staff to various parts of Russia to meet union leaders, introduce them to FTUI programs, and provide informal consultations. According to project documents and independent union officials, these activities resulted in the formation of cooperative relationships between Russian unions and international confederations and in independent unions forming regional and national confederations. For example, FTUI staff facilitated the formation of the Confederation of Maritime Workers, which includes the dock workers, seafarers, and port workers unions. The confederation has a combined membership of about 86,000.

FTUI also provides information to the public and government on union and labor issues. For example, a labor newspaper is published by the Prologue Society with funding from FTUI through its NED grant that has reached a circulation of 60,000 and is distributed throughout most of the country. Its readership includes members of the Parliament and the Kremlin, where, according to an FTUI official, articles from the newspaper are included in President Yeltsin's daily news clippings. While union members we met

were divided on the usefulness of the paper's coverage, the leader of the Independent Miners' Union said the newspaper plays a key role in his union's media campaign.

Using USAID funds, FTUI also provides public information through the Russian-American Foundation for Trade Union Research and Education. The foundation has press correspondents in about 36 locations who write articles for local papers. The foundation distributes press releases to two Russian news agencies and reports and press clippings on trade union activities to trade unions throughout the country. It also uses its material on a popular radio program and a television program.

With funding from USAID, FTUI supports the Glasnost Defense Fund in its production of a twice weekly radio program on workers' rights and free trade unions. The Glasnost Defense Fund is a major human rights organization in Moscow that focuses on press freedom. The Fund selected five large industrial cities—four in Russia and one in Kazakhstan—to tie into a electronic mail network. However, the Fund director told us that only a minor portion of the half hour show is spent on worker and union issues because listeners are more interested in other issues of local concern. He said the activity contributes more to an independent media than to union development because it attempts to make local broadcast stations less reliant on central authority for material and more responsible for their own operations.

Research

The Russian-American Foundation for Trade Union Research and Education initially had problems managing its research component, though some improvements were evident by late 1994. Foundation research is supposed to inform unions of the economic, social, and legal aspects of the workers' movement to help unions better represent their interests at the national and local levels. However, FTUI officials told us that during 1993, the foundation's first year, little research was actually done because many of the researchers assisted the foundation's former director in trying to form a political party, not in doing research. Moreover, FTUI officials told us that what little research had been completed had to be edited extensively because it was too theoretical. Nonetheless, after the foundation's director was replaced and more of the research and writing were done on a contract basis, a number of practical brochures on union organizing and management were finally published. One brochure, entitled "Legal Bases for Negotiating and Collective Bargaining", went through two

printings due to high demand. FTUI funded these brochures and the foundation's other research activities from its USAID grant.

Legal Assistance

Using NED and USAID funds, FTUI supported two labor law centers that have helped improve access to the legal system for trade unions and their members. USAID's rule of law project first identified the potential for these centers through a USAID-funded needs assessment. In early 1994, FTUI began establishing the centers using \$195,000 received from NED. In August 1994, FTUI provided about \$465,000 (USAID rule of law funds) in grants to the centers to cover their operational costs. One of the centers is part of the Russian-American Foundation for Trade Union Research and Education in Moscow and the other is based in Yekaterinberg.

The two centers, which together have 8 full-time lawyers, supplemented by volunteer work from law students, successfully litigated about half of the 50 cases they had brought to court at the time of our review. Most of the cases involved violations of workers' rights, such as illegal firings or breach of bargaining agreements.

In addition to providing pro bono litigation services, the centers support unions by participating in collective bargaining negotiations and in the foundation's educational programs and by providing unions with materials on legal issues. According to the State Department, independent trade union officials were increasingly aggressive in pressing their cases in the Russian courts during 1994, with increasing rates of success. Union officials told us that the legal aspects of union organizing and management was especially important, and they praised the services provided by the FTUI-supported law centers.

Political Party Development

U.S.-funded political party development programs in Russia had not significantly strengthened reformist national political parties, either organizationally or in terms of increased membership or performance in elections. The U.S. government has supported the development of political parties in Russia through NED and USAID grants to the National Democratic Institute (NDI) and the International Republican Institute (IRI). From 1990 through 1992, NED provided \$956,000 to NDI and IRI to help the anti-Communist Democratic Russia Movement establish a printing facility and disseminate literature. NED's funding also enabled NDI and IRI to conduct civic education and grassroots organizing programs for Russians at the national and local levels. In addition, NED provided NDI and IRI \$200,000 to monitor the April 1993 national referendum and to send Russian party leaders to the United States for training.

Beginning in 1992, USAID awarded NDI and IRI a series of grants that totaled about \$17.4 million to conduct political party development programs in Russia through 1997. According to USAID documents, the overall objective of these grants was to help reformist political parties strengthen their organizational structures and their role in elections, Parliament, and local government. The grants were also intended to strengthen reformist parties indirectly by providing support to civic organizations and encouraging them to work with parties and by monitoring elections and promoting public participation in politics. NDI and IRI held numerous seminars and training activities for party leaders in Moscow and for activists in over 20 cities and regions, prior to the April 1993 referendum and the December 1993 national elections. Nonetheless, reformist political parties performed poorly in the December 1993 elections.

In Russia's inhospitable environment for political party development, NDI and IRI were able to develop extensive relationships with party officials and provide training and assistance. However, despite the institutes' work, reformist parties have been either unwilling or unable to form broad-based coalitions or build national organizations and large segments of the Russian public have not been receptive to their political message.

NDI and IRI officials acknowledge that the Russian environment is difficult for political party development; however, they believe that their programs are important for furthering Russia's democratic development. NDI and IRI noted that the development of a strong multiparty system has been made more difficult by Russia's lack of democratic traditions, the Communist party's 70-year hold on Russia (a far longer span than in Eastern Europe), and the public's general aversion to any organization characterized as a

“party.” While NDI and IRI officials agreed that the environment is less than conducive to reform, they do not see this as a reason not to pursue political party development.

In commenting on this report, USAID agreed that strengthening Russian political parties has been difficult. It said that consequently, since 1994 it has attempted to focus NDI’s and IRI’s programs by exclusively targeting them on six cities each.¹ USAID believes that these targeted programs are having greater impact than earlier national efforts.

USAID officials cautioned that expectations should not be too high and that its assistance would likely have only a minimal impact on the performance of the democratic parties during the December 1995 parliamentary election and the June 1996 presidential election. In early 1995, USAID foresaw a poor electoral showing by the reformist parties in Russia in the upcoming parliamentary and presidential elections and counseled NDI and IRI to direct more of their resources to working with grassroots nongovernmental organizations, thereby supporting the overall shift of the U.S. democracy program to developing a democratic civil society.

Reformist Parties Did Poorly in December 1993 Elections

From 1991 through 1993, NDI and IRI held multiparty seminars and single-party consultations throughout Russia. These seminars provided information on party organization and campaign techniques, and participants were given training videos and reference materials on U.S. parties and campaigns. For example, from late 1991 (with NED funding) and through 1992 and 1993 (with AID funding), IRI conducted party training in 19 cities from northern and western Russia to eastern Siberia. NDI provided training for the day-to-day organizers and managers of democratic political parties in Moscow and the regions.

Despite these efforts, the December 1993 parliamentary elections, called just months after a violent standoff between President Yeltsin and Parliament, proved to be a disappointment for democratic and reformist parties.² In the State Duma, the lower house of the Parliament, the Liberal Democratic Party of Vladimir Zhirinovskiy (which is neither liberal nor democratic) did best with 23 percent of the popular vote, and Russia’s

¹In its response to our draft report, IRI said that its programs are targeting nine cities.

²This conclusion and the following discussion are derived from (1) our discussions with U.S. and Russian officials and political activists; (2) “Russian Politics: The Calm Before the Storm,” Michael McFaul, *Current History*, October 1994; and (3) “Background Memo on Russian Politics,” prepared by the International Republican Institute, June 1994.

Choice, the liberal reformist bloc headed by former prime minister Yegor Gaidar and nominally allied with President Yeltsin, was second with only 16 percent. In total, nationalist and Communist blocs won a plurality and outpolled proreformist blocs by 9 percent. Although Russia's Choice gained the most seats of any party³ (66 party list and single mandate seats), reformist parties as a group won only 112 seats, not enough to control the 450-seat State Duma.

Election observers cite a variety of reasons for the poor showing of the reformist parties. These parties had been declining in cohesion since the breakup of the Soviet Union in August 1991, principally because President Yeltsin postponed calling elections for a new Russian Parliament, leaving intact the Parliament that had been elected in 1990 during the Soviet-era. Without elections to focus their activities, Democratic Russia and other groups that had played such a large role in the collapse of communism failed to take the steps necessary for transitioning from opposition movements into political parties that could succeed at the ballot box. Democratic groups also declined in popularity from 1991 through 1993, as they were associated with the economic hardship being experienced. Consequently, the successors to the Communist party of the Soviet Union, the Communist and Agrarian Parties of Russia, staged somewhat of a resurgence. Numerous far-right, nationalist movements, such as the Liberal Democratic Party, also increased their organizational and popular strength during this difficult period of economic and social transition.

According to numerous observers, the reformist parties made many strategic and tactical errors during the December 1993 elections, thereby compounding their weaknesses. For example, although Russia's Choice ran with the Democratic Russia Movement, the reformists still ran as four separate parties or blocs, thereby splitting their votes. Also, notwithstanding NDI's and IRI's efforts, these parties pursued a Moscow-focused campaign strategy. They failed to reach out to or build regional organizations and to present clear, convincing campaign messages.

Reformist Parties Remain Weak

Since the 1993 national elections, NDI and IRI have continued working with party activists throughout the country, encouraging the formation of coalitions and teaching organizational and campaign techniques. However, the situation for reformist parties since the December 1993 elections has

³The largest group of candidates elected were not affiliated with any political party. Independent candidates won 127 seats in the State Duma.

only marginally improved. Some of them—such as Russia’s Choice, Yabloko, and the Party of Russian Unity and Accord (PRES), all participants in NDI and IRI programs—now recognize the need and have taken some steps to build national organizations. However, according to U.S. and Russian officials, these reformist parties’ organizational presence outside of Moscow remains weak, and they did not made significant gains in local elections that took place across Russia over the last 18 months. They remain Moscow-centered, highly fractionalized, and separated more by personal ambition than ideology.

NDI and IRI officials acknowledged that reformist parties have remained weak, but they said that the institutes’ training programs since 1993 have increased the organizational capacity of some parties. An IRI official said that during 1994 and 1995 it trained about 3,000 party activists, many of whom returned for advanced training. This official told us that IRI’s approach has been to help those Russians begin to build democratic parties up from the grass roots, the necessary ingredient for a strong national organization. He said that Russia’s reformist parties have persisted in their efforts to build their organizations and field candidates despite the unpopularity of their free market message and historical negative view of “party” (a harsh memory from the days of Communist party control).

According to an NDI official, in 1995 NDI observed markedly different behavior among parties with which it was working. NDI observed that the parties were targeting communication to voters based on demographic and geographic information from the previous elections; conducting research on voter attitudes through focus groups and polling; contacting voters through small meetings, coalitions with civic groups, door knocking, and leaflets; and relying on party activists who considered party organizing their full-time job. NDI also said that although a formal democratic coalition had not emerged for the December 1995 elections, there had been considerable coordination of candidates in single-member districts. NDI attributed this coalition building to its round table discussions on cooperation held in December 1994 and April 1995. NDI noted that coalition members in one city pledged to nominate one joint candidate in each single-member district for the December 1995 parliamentary elections.

Evidence, however, suggests that successful coalition building has not taken place at the national level. For example, due to personality conflicts, the two large pro-reform election blocs of 1993, Yabloko and Russia’s

Choice, had split into 11 different parties and movements by the December 1995 parliamentary elections.

Russian and U.S. Views on Political Party Assistance

According to many Russian political activists and some U.S. officials, political party training will ultimately affect the development of Russia's political parties only at the margins. The Russian political activists said that viable reformist political parties may only emerge after more than a decade, and their development will depend mostly on efforts to build a democratic civil society. That is, even if NDI and IRI can teach reformist parties how to campaign and organize effectively, they will only win elections when the Russian people are receptive to a reformist, democratic political message. U.S. officials said that the program can have an impact, although the impact will be narrow in scope due to the size and complexity of Russia and its politics. According to these officials, IRI and NDI projects are not expected to significantly influence the development of national political parties in Russia.

According to NDI and IRI, although their party development programs are likely to affect Russia only at the margins, their services are in high demand and they do have a visible impact on numerous individual party officials or candidates who use their advice. Despite the difficult environment for political party development, NDI and IRI have developed contacts with thousands of democratic activists throughout Russia, regularly holding seminars and consultations and providing information and other materials. Numerous Russian officials and activists in several cities who had participated in NDI and IRI programs praised NDI and IRI training for increasing their knowledge of campaign techniques, bringing reformist parties together, and encouraging people who had never participated in politics to become political activists and candidates. They also said that NDI and IRI written materials were an effective means of communicating practical experience and that they wanted more, rather than less, assistance. Among these officials and activists were leaders of Russia's Choice and the Social Democratic party, State Duma deputies from reformist parties, and an official at the Kremlin responsible for parliamentary affairs.

Nonetheless, NDI and IRI have had mixed results in getting Russians to use their campaign techniques. Some Russian political activists cited examples of how they could adapt certain techniques to their campaigns; for example, one candidate told us that he followed NDI's suggestion and developed a political map to target his campaign literature to people most

likely to vote for him. Senior IRI and NDI officials stressed that their techniques are being used in Russia. They cited as examples reformists who won elections using local phone banks and door-to-door canvassing, despite initial reluctance by some.

Many Russian political activists, however, told us that the training was not always applicable to Russia. For example, they said that some U.S. political or campaign practices such as phone banks and door-to-door canvassing cannot be fully used or were unsuccessful in Russia because of technological and cultural factors. An IRI official in Russia told us that he realized some U.S.-style campaign techniques would not work in Russia and that he was working to make IRI activities more relevant to the Russian context.

Civic Education

A number of participants in NDI's and IRI's political party and civic advocacy programs indicated that to better promote democracy in Russia, the United States should support more civic education activities. The political party participants spoke favorably of U.S. support for sending Russians to the United States for training but said that NDI, IRI, or other U.S. nongovernmental organizations could work at schools or other Russian institutions to teach Russians the principals of self-government, the responsibilities of citizenship, and the benefits of democracy in general. Such efforts may convince Russians to support reformist parties' message, complementing ongoing NDI and IRI efforts to improve organization and campaign techniques of these parties.

Further, many participants told us that NDI's and IRI's civic advocacy seminars provided them with information on creating coalitions of civic organizations and attracting people, particularly women, to social movements that could influence government. However, they also told us that the United States could better support civic groups by helping them address issues of broader social concern such as crime, drugs in school, and women's unemployment.

According to IRI officials, the goal of IRI's civic advocacy program is to help these groups see the importance of being involved in the political process. However, while IRI sponsors political events such as candidate debates or women-in-politics seminars, it does not sponsor events on local civic issues such as crime or drugs in school. According to IRI, an indicator of its success in the civic advocacy area is that many of its trainees become candidates for national and local offices. For example, following a

February 1994 women-in-politics seminar, four women decided to run for the City Duma in their home town—three won.

NDI officials told us that their civic advocacy programs have promoted coalitions among civic groups and enhanced communication between these groups and political parties and local governments. For example, in preparation for the December 1995 parliamentary elections, NDI conducted programs in Moscow, St. Petersburg, Yekaterinberg, and Nizhnii Novgorod on ways that civic groups could voice their interests, such as through sponsoring candidate forums and debates, distributing candidate questionnaires, and providing volunteers and resources to campaigns. For purposes of our review, however, we included these activities as political party development. We were told by Russian political activists that many organizations participating in these civic advocacy programs served as political bases/organizations for local politicians who were running for office, not as traditional civic organizations. According to one of these activists, he decided to use civic organizations as a political base when he saw that the Russian public has an “allergy” to any organization characterized as a “party.”⁴

According to USAID officials in Moscow, civic education in schools is the one area where the USAID democracy portfolio is lacking but such a program would be very costly or too diffuse in a country as large as Russia and could offend Russian nationalist sensitivities. Instead, USAID is funding informal civic education activities through nongovernmental organizations. For example, from June 1993 through July 1995 the Eurasia Foundation, a USAID grantee, provided about 100 small grants to U.S. and Russian nongovernmental organizations in the areas of legal reform, conflict resolution, democratic institution building/civic education, and nongovernmental organization development. In addition, USAID is encouraging NDI and IRI to place less emphasis on their party training programs and more on their work with civic organizations. USAID has also started a \$5.5 million project that provides funds for the institutional development of Russian nongovernmental organizations.

NED and one of its core institutes, the Center for International Private Enterprise, are also funding informal, and to a lesser extent formal, civic education activities. From fiscal years 1990 through 1994, almost all of NED’s discretionary grants funded nongovernmental organizations in the

⁴NDI officials told us that their civic advocacy program included many types of civic organizations, ranging from those that serve primarily as a political base for politicians to those that are traditional civic organizations. However, they could not identify how much of their resources go toward supporting traditional civic organizations.

areas of human rights, civic education, public advocacy, and independent media. For example, in 1994, NED sponsored an international conference in Russia on civic education and financially supported the publication of weekly articles for civics instructors in a leading Russian teachers' newspaper. The Center for International Private Enterprise also gave a small grant that was used to develop a civic textbook on economic and democratic reform.

Rule of Law

U.S.-funded rule of law activities conducted under the Democratic Pluralism Initiative¹ thus far have had a limited impact on reforming Russia's legal and judicial institutions and are only beginning to help build a grassroots constituency for legal reform. Through grants to the State Department and the American Bar Association, USAID supported Russia's limited reintroduction of jury trials and its first steps toward establishing an independent judiciary.

In September 1993, USAID awarded a \$12.2 million, comprehensive rule of law contract to ARD/Checchi. This contract was designed to continue these efforts in Russia over a 3-year period,² and expand them to strengthen the laws, legal structures, and civic organizations that provide the necessary operating framework for democratic, market-oriented societies. Specifically, ARD/Checchi provided funds for an assessment of Russian legal needs and used this information to develop an action plan for USAID's rule of law project. ARD/Checchi also designed and started to implement activities that would support the development of Russia's legal institutions, and it awarded subcontracts and subgrants to nongovernmental organizations for voter education prior to the December 1993 elections, legal assistance for trade unions, and the development of civic organizations. This project's core program was not implemented for about a year due to problems related to the process of designing the program and poor contractor performance.

Support for Jury Trials and an Independent Judiciary

Two USAID funded projects contributed to incremental changes in the Russian criminal justice system and judicial institutions from 1992 through 1994. With USAID funding, the State Department and the American Bar Association implemented two small projects that were designed to help increase the independence of the judiciary and support Russia's reintroduction of jury trials. The reintroduction of jury trials in Russia is a major reform initiative, both substantively and symbolically. Russian legal reformers hoped that the reintroduction of jury trials would lead to a more open and fair adversarial courtroom procedure. Jury trials would replace the Soviet-style system in which, according to State Department human rights reports, criminal procedures are still weighted heavily in favor of the prosecution, and defendants are expected to prove their innocence rather than the prosecutors prove their guilt.

¹USAID's project dealing with commercial law reform, the IRIs project, was not included in our review.

²This contract includes an option for extending the contract for 2 more years at an additional cost of \$9.945 million.

Beginning in May 1992, the U.S. embassy's political office used USAID funds to support a Russian-sponsored jury trial initiative and establish contacts with Russian legal reformers. Under two agreements with USAID, the State Department received \$200,000 for rule-of-law activities in Russia. Using these funds, the U.S. embassy's political office provided funds for seminars, including one held in 1994 at which U.S. and Russian experts evaluated the preliminary results of the jury trial initiative and discussed future steps in U.S.-Russian cooperation. The office also provided travel funds for experts who would design publicity materials associated with jury trials and the new Russian constitution.

According to USAID officials, the State Department's small project was not designed to be long running or sustainable. Instead, it was designed to act as a bridge and establish contacts for a larger USAID project. USAID officials told us that the early years of State's project were very successful but that the activity was no longer needed. USAID stopped funding this activity in March 1995.

Beginning in mid-1992, the American Bar Association provided technical assistance for Russia's judicial restructuring and reintroduction of jury trials. The American Bar Association operated under a 2-year regional grant that totaled about \$3.2 million, of which about \$950,000 was used for assistance to Russia. Activities included holding three training workshops, held in Russia and Washington, D.C., that covered judicial restructuring, constitutional reform, and jury trial advocacy for criminal defense attorneys; providing immediate assistance in circulating and commenting on 12 draft laws within the United States, including the draft labor code, draft constitution, and draft law on state support of small business; giving equipment to Russian legal institutions; hosting exchange visits between Russian and American judges; and developing a bench book to guide judges during jury trials.

By the end of 1994, jury trials were operating in 9 of 89 regions in Russia,³ and the government had enacted legislation intended to increase the independence of the judiciary. However, although the former Supreme Soviet and the present Parliament, with the active encouragement of the President's staff, enacted many legal reforms through 1994, both the Russian and regional governments did not adequately fund their implementation. As a result, the widespread reintroduction of adversarial trials with juries was not occurring as scheduled because many court

³In the 80 regions without jury trials, criminal cases at the district and regional court levels were tried by a panel consisting of 1 judge and 2 lay assessors. In these 80 regions, criminal procedures were those under the Soviet-style system.

rooms had not been renovated, many judges had not received necessary training, and funds were not available to pay for jurors' stipends. Despite the government's long-term efforts to reform the judiciary, at the end of 1994 judges were just beginning to assert their independence from other branches of government.

By September 1995, expansion of the jury trial initiative or further improvements in the criminal justice system appeared to have minimal support from the Russian government. According to the State Department's human rights report, the limited progress that Russia had made was undercut by two decrees issued by the President of the Russian Federation in June 1994. In his desire to combat increasing crime, President Yeltsin signed two decrees that contradicted constitutional rights to protection against arbitrary arrest and illegal search, seizure, and detention.⁴ Further, according to a USAID official, the Russian government did not fund the expansion of jury trials to the planned five additional regions. Moreover, the Russian government official that was pushing reforms in the criminal justice system left the government in late summer of 1995.

Limited Support Thus Far for Other Russian Legal Institutions

Although the ARD/Checchi contract funded many projects, its primary focus was to strengthen core Russian legal institutions. The contract was to include judicial training programs; law school support, including adding commercial law courses and new substantive and procedural code reforms into the curriculum; legal information programs; public and professional legal education; support for the Constitutional Court; and training for the procuracy, which in Russia includes the functions of prosecutor, investigator, attorney general, ombudsman, and consumer affairs. ARD/Checchi was also to have assumed primary responsibility for supporting the reintroduction of jury trials.

Our review showed that the contractor's efforts in these core areas had little impact during the first year because of problems related to the interagency approval process for the contractor's work plan, the complexity and enormity of the contractor's tasks, and poor contractor performance. ARD/Checchi took about a year to start implementing its core legal reform activities as finally approved by the USAID mission. ARD/Checchi required several attempts to draft an action plan that was acceptable to USAID and the U.S. embassy interagency working group on

⁴The decrees gave law enforcement authorities power to detain suspects without charge and without access to a lawyer for 30 days, and to conduct warrantless searches and seizures.

the rule of law. According to a USAID official, the interagency working group contributed to the delay as it did not have a clear idea of what it expected from ARD/Checchi.

ARD/Checchi's progress was further slowed by its organizational and personnel problems and unfamiliarity with USAID's contract, procurement, and program requirements. According to USAID officials, ARD/Checchi's assessment team did an excellent job analyzing Russia's legal situation and identifying key institutions and officials; however, the contractor was ineffective in translating that information into deliverable assistance during the first year.

The ARD/Checchi project was also hampered by limited support from the USAID mission in Moscow, which was struggling to implement the entire Russian assistance program and was preoccupied with the December 1993 parliamentary elections. According to USAID officials, the mission was understaffed during the initial program phase and had little technical expertise to manage such a complex contract. Thus, ARD/Checchi, as well as other contractors, was largely left to its own devices to implement its projects. USAID officials told us that during the first year, USAID was preoccupied with assisting the Russian State Duma on commercial law activities and trying to manage the approximately 200 contractors and grantees starting work on USAID programs. As a result, USAID was unable to provide effective oversight and assistance to the contractors at the start of the projects.

A complicating factor for the rule of law program in general, and ARD/Checchi in particular, was the need to forge working relationships with Russia's historically closed legal institutions. Although the U.S. embassy's political office had established contacts within the presidential administration, ARD/Checchi spent most of its time during its first year establishing contacts with other legal institutions such as the Academy of Jurisprudence, the Supreme Commercial Court, the Procuracy Training Institute, state law academies, leading Russian law schools, and the Constitutional Court. ARD/Checchi officials told us that identifying the key administrators and reformers and establishing effective working relationships within institutions was a complex and time-consuming task. Further, according to a USAID official, ARD/Checchi spent a good deal of time negotiating subcontracts with organizations unfamiliar with having a subcontractor relationship with USAID.

The USAID mission in Moscow attributed the delay in developing an action plan to (1) the preoccupation of government counterparts during the government crisis during the fall of 1993, (2) the difficulty in designing programs for nonreformed Russian government institutions, and (3) the lack of experience of ARD/Checchi's first chief of party in project management. The USAID mission believes that the interagency approval process did not contribute to delays in the project.

We noted a significant increase in activity under ARD/Checchi's work plan starting in the last quarter of 1994 through the first half of 1995. After a change in the management of ARD/Checchi's Moscow office management in late 1994, ARD/Checchi began to provide training programs, equipment, and reference materials to Russia's core legal institutions. For example, it provided

- training to Supreme Commercial Court senior faculty by faculty of the National Judicial College in Nevada;
- case management and computer training, reference materials, and equipment to the Commercial Court to meet its expanding caseload;
- training programs on bench trials and judicial ethics;
- curriculum expansion, information system modernization, and trial advocacy workshops at Russia's first rank law schools;
- training and computer hardware and software to the St. Petersburg State University Law Faculty in the use of legal database and electronic mail to promote the flow of legal information to the legal community;
- educational films for judges, jurors, and the public on jury trials and the construction of a mock court room for the training of judges from general jurisdiction courts; and
- training programs for senior level trainers and teaching equipment upgrades at the Procuracy Training Institute.

In August 1994, USAID awarded the American Bar Association a \$2.5 million, 2-year grant, of which \$700,000 is budgeted for its project in Russia. Under this grant, the bar association is assisting Russian lawyers' associations in strengthening their institutions, establishing new associations, and developing continuing legal education programs.

It is too soon to evaluate the effectiveness of ARD/Checchi's core legal reform efforts and the latest American Bar Association project since they had only started in late 1994 and early 1995. However, USAID, State Department, and Russian government officials told us that systemic changes in Russia's legal institutions will be a long-term process.

Assistance to Civic Organizations

ARD/Checchi's contract also included a component designed to encourage grassroots efforts to promote the rule of law. In early 1995, ARD/Checchi started a \$2-million small grants program, which will provide small grants to Russian organizations and their U.S. partner organizations that are pursuing legal reform or providing legal services. ARD/Checchi had not awarded any small grants at the time of our fieldwork in Russia, but in March 1995, ARD/Checchi awarded five grants (totaling \$475,000) in the areas of environmental law, community legal assistance and legal education, tax law reform, women's rights, and freedom of information.

Further, as part of its USAID-funded needs assessment for the rule of law area, ARD/Checchi identified the potential and recommended the funding for a legal assistance/workers' rights project. In August 1994, ARD/Checchi awarded a subcontract of about \$465,000 to the Free Trade Union Institute for this project.⁵ Through this subcontract, USAID's rule of law project has financially supported increasingly effective efforts to address workers' rights issues through Russia's court system. (See app. IV for more information on this project.)

USAID, through the Eurasia Foundation and a nongovernmental development project, and NED have also provided grants to human rights and other nongovernmental organizations. These grants directly and indirectly contribute to the rule of law program by developing long term relationships with Russian grassroots organizations that are working to increase transparency and accountability in government and influence the reform process by safeguarding human rights and the right to political dissent.

⁵FTUI used NED funding for limited project activities before signing the USAID subcontract.

Civil-Military Relations

U.S. assistance to strengthen civilian control of the Russian military has included the International Military Education and Training (IMET) program and a USAID grant to the Atlantic Council. Neither program has had much impact, primarily because they have not affected significant numbers of Russian decisionmakers due to a lack of interest by the Russian government.

U.S. embassy officials told us that the Russian military, rather than civilians, has retained firm control of its sphere of operations. One official said that the Russian Parliament has limited detailed knowledge of the military budget and has to rely on the intelligence services to learn information of military activities. Similarly, uniformed officials are predominant at the Russian Ministry of Defense. The U.S. embassy officials said that political circumstances in Russia make the implementation of a U.S. civil-military program in Russia very difficult. Some quarters of the government are generally reluctant to accept Western assistance and suspect that civil-military assistance is designed to further weaken Russia militarily. Additionally, the need for deep cuts in defense spending renders the process of greater civilian control in the Ministry of Defense more complex, as significant hiring of civilian employees is unlikely, especially in light of large numbers of unemployed military personnel.

IMET Program

In June 1992, the Department of Defense (DOD) began implementing an IMET program in Russia, a program which is jointly managed by the State Department and DOD.¹ The IMET program is a world wide grant training program that, among other objectives, seeks to promote military rapport between the United States and foreign countries and promote better understanding of the United States, including its people, political system, and institutions. In Russia, the program aims to foster a stable, cooperative relationship between U.S. and Russian armed forces and provide expertise to guide the military's transition under a democratically elected government. Under the Expanded-IMET component, the program also seeks

¹The Secretary of State is responsible for the program's general direction, recommends funding levels for congressional approval, and allocates approved funds to each country. The Secretary of Defense is responsible for planning and implementing the program, including administration and monitoring, within established funding levels.

to promote civilian control of the military and democratic orientation of the military along Western lines.²

Funding for the IMET program in Russia has grown from \$153,000 in fiscal year 1992 to \$471,000 in fiscal year 1994. According to a DOD official, about one-third of the total for these years was spent on Expanded IMET courses. From 1992 through 1994, according to information provided by the U.S. embassy, the IMET program for Russia brought 18 mid- and senior-level military officers from the Ministry of Defense and 19 civilian officials, primarily from the Ministry of Foreign Affairs, to the United States for education, training, and observation tours.³ The military officers generally attended mid- and senior-level military colleges or participated in observation tours, and all but one civilian official attended defense resource management courses in Monterey, California.

According to U.S. embassy and DOD officials, Russia's Ministry of Defense has not fully used the IMET program since 1993, sending few military officers to the United States for training in 1994. The ministry generally will not allow any Russian officer to study at a given location alone, which limits Russia's participation at U.S. military colleges. According to a DOD official, the Secretary of Defense recently encouraged the Russian Minister of Defense to increase Russia's military participation in the IMET program, but the Russian government has not responded to this encouragement.

According to an IMET program document, the Ministry of Foreign Affairs has shown much greater support for the IMET program. However, according to a U.S. embassy official who manages the program, the ministry thus far appears to have nominated civilian candidates who are chiefly mid-level bureaucrats and not likely to advance to positions of authority.

An embassy official told us that it is too early to determine whether the IMET program is successful and that the embassy views the program as a long-term effort that may not yield results for 10 to 20 years. In commenting on this report, the State Department stated that there has not been enough time to track the careers of civilians who participated in the

²The IMET program provides instruction and training in military skills and U.S. military doctrine to foreign military and related civilian personnel on a grant basis. The Expanded-IMET component offers courses in such areas as defense resource management, military justice, civil-military cooperation, and human rights.

³According to DOD, the numbers of IMET participants provided by the Defense Security Assistance Agency and published in the annual Congressional Presentation Document are gathered indirectly and may vary somewhat from the numbers provided by the embassy. DOD said that the embassy provides the more accurate participant count.

expanded IMET program, and DOD also emphasized that the IMET program is a long-term effort. DOD said that the IMET program has not had sufficient time to make an impact. We agree with DOD that the IMET program is a long-term effort; however, we assessed the progress that had been made in identifying and selecting promising officers who are likely to rise to positions of prominence. We found that the major factor inhibiting this process was the unwillingness of the Russian government to fully use the IMET program.

Atlantic Council Program Limited

The Atlantic Council received a 2-year \$626,500 grant from USAID in 1992 for a civil-military relations project.⁴ The project's goal was to encourage the integration of the Russian military establishment into society, opening it up to greater supervision from, and closer working relationships with, democratically elected civilian leadership of the executive and legislative branches and with the press and public at large. The council intended to conduct a series of training seminars in both Russia and the United States. According to a USAID-funded evaluation, the program suffered delays from the outset and failed to fulfill its planned activities due to poor planning, lack of in-country staff to process potential participants, tight timelines, and an underestimation of Russian political sensitivities.

During the first year of the grant, the council conducted a 2-day seminar in Russia on the U.S. defense budget process. In the second year, the council sponsored or cosponsored four seminars in Russia, including (1) a journalism seminar on covering defense issues in a democratic society, which was cosponsored with the Russian-American Press and Information Center and attended by journalists from Russia, Ukraine, and Belarus and (2) seminars on national security decision-making, civil-military relations, and the Partnership for Peace program for Russian government officials.

⁴This project covered Russia and the Ukraine.

Comments From the Department of State



United States Department of State

Chief Financial Officer

Washington, D.C. 20520-7427

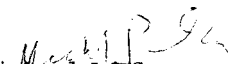
December 5, 1995

Dear Mr. Hinton:

We appreciate the opportunity to provide Department of State comments on your draft report, "PROMOTING DEMOCRACY: Progress Report on U.S. Democratic Development Assistance to Russia," GAO Job Code 711129.

If you have any questions concerning this response, please call Ms. Sandra Gust, S/NIS/C, at (202) 647-4635.

Sincerely,


Richard L. Greene

Enclosure:
As stated.

cc:
GAO - Mr. Zanardi
State/S/NIS/C - Ms. Gust

Mr. Henry L. Hinton, Jr.,
Assistant Comptroller General,
National Security and International Affairs,
U.S. General Accounting Office.

GAO DRAFT REPORT: "PROMOTING DEMOCRACY: Progress Report on U.S.
Democratic Development Assistance to Russia,"
GAO JOB CODE 711129

The Office of the Special Advisor to the President and the
Secretary of State on Assistance to the New Independent States
(S/NIS/C) has the following comments:

In Appendix VII, on Civil-Military Relations: The report
presents the opinion of a single Embassy Moscow official, that
the civilian IMET candidates as a class are not likely to
advance to positions of authority in the Russian Ministry of
Defense, but the report does not explain this reasoning. This
view is troubling, given that the IMET program accepts both
civilian and military candidates, and that there has not been
enough passage of time in which to track the careers of the
civilian candidates.

S/NIS/C would also point out the this GAO report ignores the
exchange program fostering contacts between DOD and Russian MOD
military contacts under the Cooperative Threat Reduction
program, a program which has been very successful.

The Bureau for International Narcotics and Law Enforcement
Affairs provided the following comments:

While the report identified USIA and USAID programs supporting
democracy programs in Russia, we feel that the omission of the
Rule of Law program administered by the Department of Justice
creates a serious flaw in the overall report. DOJ efforts in
promoting legal reform and training of prosecutors and judges,
essential ingredients in any substantive rule of law effort are
not even mentioned. The report's focus on the projects
regarding establishment of political parties, elections, and
media activities presents a narrow picture of democratic
efforts.

INL is often asked by auditing agencies about law enforcement
efforts to promote human rights and freedom in its programs. A
similar question to rule of law activities regarding its
involvement with law enforcement entities is similarly
important. Inclusion of law enforcement involvement in
democracy development would present a broader and more
substantive review.

Comments From the Defense Security Assistance Agency



DEFENSE SECURITY ASSISTANCE AGENCY

WASHINGTON, DC 20301-2800

04 DEC 1995

In reply refer to:
I-056445/95

Mr. Harold J. Johnson
Director, International Affairs Issues
National Security and International
Affairs Division
US General Accounting Office
Washington, DC 20548

Dear Mr. Johnson:

This is the Department of Defense response to the General Accounting Office draft report, "Promoting Democracy: Progress Report on US Democratic Development Assistance to Russia," dated November 9, 1995 (GAO Code 711129), OSD Case 1052. The Department concurs with the report with the attached minor changes and comments. We appreciate the opportunity to comment on the draft report.

Sincerely,

A handwritten signature in black ink, reading "Thomas G. Rhame", is positioned above the typed name and title.

Thomas G. Rhame
Lieutenant General, USA
Director

COMMENTS ON GAO DRAFT REPORT

“Promoting Democracy: Progress Report on US Democratic Development Assistance to Russia”

Page 14, line 4. *Comment: The report states that US assistance “designed to strengthen civilian control of the Russian military . . . have not had much of an impact.” With respect to the IMET program, this statement is misleading. Although it includes courses and seminars designed for senior level military and civilian officials, the IMET program is primarily a long-term effort to influence favorably the younger, promising officers of foreign militaries who will rise to positions of prominence during their careers. Expecting to bring about a complete reversal of seventy years of communist ideology in four years (FY92 to FY95) is unrealistic.*

Recommendation: Change “have not had much of an impact” to “have had insufficient time to make much of an impact,” and add the following to the end of footnote four: “The IMET program is primarily a long-term effort to develop relationships between the US military and its foreign counterparts. The program targets promising individuals who are likely to rise to positions of prominence during their careers.”

Page 14, lines 4-7. *The sentence on numbers of Russian officials participating in the IMET program should acknowledge that these figures are provided by the US Embassy. The numbers provided by DSAA (and published in the annual Congressional Presentation Document) are gathered indirectly and may vary somewhat. The more accurate count should be that provided by the Embassy.*

Page 16, footnote, line 4. *Delete “expanded-IMET” and replace with “IMET.” Expanded IMET is not a separate program (or appropriation) from IMET as this reference implies. Expanded IMET is a category of courses within the IMET program.*

Page 74, lines 1-7. *Comment: The paragraph notes that IMET (as well as a terminated USAID program) “have not affected significant numbers of Russian decisionmakers due to a lack of interest by the Russian government.” As noted above, such statements are misleading. The IMET program is a long-term effort aimed primarily at future decisionmakers, although it does contain courses and seminars appropriate for current ones. It is simply too early in the development of Russia’s IMET program to state whether the program has had any success in changing attitudes toward civil-military relations. Recommendation: Change the second sentence of the paragraph to read “Neither program has had sufficient time to make much of an impact, primarily because they have not yet affected significant numbers”*

Comments From the U.S. Agency for International Development

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

DEC 7 1995

Mr. Henry L. Hinton, Jr.
Assistant Comptroller General
National Security and International Affairs Division
U.S. General Accounting Office
441 G Street, N.W. - Room 4039
Washington D.C. 20548

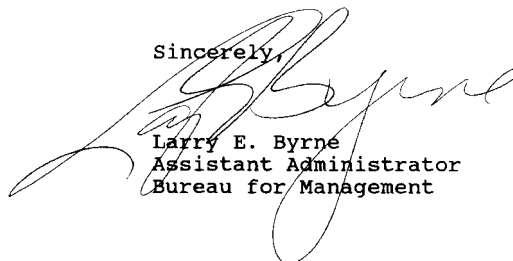
Dear Mr. Hinton:

I am pleased to provide the U.S. Agency for International Development's (USAID's) formal response on the draft GAO report entitled "PROMOTING DEMOCRACY: Progress Report on U.S. Democratic Development Assistance to Russia" (November, 1995).

In general, USAID does not have any major disagreements with the substance of the report. We have, however, identified discrepancies with the financial resources provided by USAID for democracy-related programs, as well as several instances where minor corrections or clarifications are needed on specific points raised in the report. The enclosure provides details on each of those instances for your consideration in finalizing your report.

Thank you for the opportunity to respond to the draft of this report and for the courtesies extended by your staff in the conduct of this review.

Sincerely,



Larry E. Byrne
Assistant Administrator
Bureau for Management

Enclosure: a/s

See comment 1.

The following are GAO's comments on USAID's letter dated December 7, 1995.

GAO's Comment

1. The agency's suggested technical corrections have been incorporated in the report where appropriate.

Comments From the United States Information Agency

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

**United States
Information
Agency**

Washington, D. C. 20547

Office of the Director



December 6, 1995

Mr. Louis Zanardi
Assistant Director
National Security and International Affairs Division
General Accounting Office

Dear Mr. Zanardi:

Thank you for the opportunity to review your draft report, "Promoting Democracy: Progress Report on U. S. Democracy Development Assistance to Russia." In general, we believe the report to be fair and accurate, but have a few comments to offer.

First, on page 2, the draft report notes that "USIA was unable to provide specific funding information for its activities in Russia because they were funded under a regional project." At the time the report was drafted, USIA did break out our assistance funding allocations by country. We are currently compiling these figures and expect to be able to provide you with this information by late December.

Secondly, while we recognize that the report is limited in scope, any survey of democracy programs in Russia which includes USIA efforts should have included our exchange programs. Exchanges have been the cornerstone of our efforts in Russia. Since 1993, USIA has brought over 20,000 NIS citizens ranging from parliamentarians, Presidential staffers, and Supreme Court Justices, to university and high school students to the U.S. These targeted programs have focused on themes of democratic reform. They have been an effective policy tool for our embassies overseas in engaging these societies in policy debates, introducing them to their U. S. counterparts, and exposing them to Western models of federalism and democratic governance.

Third, while we appreciate the GAO's favorable review of the Russian-American Press and Information Centers (RAPIC), we would recommend that the GAO draw some conclusions about cost effectiveness. USIA's relatively small investment of \$600,000 in RAPIC has produced noteworthy results.

Finally, we would like to note that USIA's Bureau of Broadcasting has also contributed to the democracy program in Russia through the Voice of America's short-wave broadcasts, affiliate relationships with key independent stations, and direct training for independent broadcasters in responsible journalism and commercial media management.

See comment 1.

See comment 2.

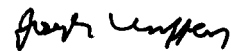
See comment 3.

See comment 4.

Appendix XI
Comments From the United States
Information Agency

Again, thank you for the opportunity to comment. Please let me know if we can provide any further information.

Sincerely,



Joseph Duffey
Director

The following are GAO's comments on USIA's letter dated December 6, 1995.

GAO's Comments

1. The agency had not provided these figures as of February 14, 1996.
2. As stated in our draft report, we did not review the effectiveness of democracy-related USIA and USAID exchange and visitor programs due to the difficult and time-consuming task of locating individual program participants.
3. Our report presents the cost and results of this project.
4. USIA's Bureau of Broadcasting was outside the scope of our review.

Comments From the National Endowment for Democracy

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



November 28, 1995

Mr. Harold J. Johnson
Director, International Affairs Issues
U.S. General Accounting Office
Washington, D.C.

Dear Mr. Johnson:

Thank you for the opportunity to respond to the GAO draft report on U.S. funded democracy programs in Russia (GAO code 711129).

NED is in full agreement with some of the main conclusions of the report, namely that assistance should be targeted at civic groups and indigenous organizations such as trade unions in order to build a grass-roots constituency for reform, and that civic education carried out by local organizations should be supported as a means for fostering democratic values. Indeed, these very principles have been integral to the NED approach in Russia for quite some time. A somewhat more detailed review of NED programs than that which is presented in the draft report would more clearly reflect these characteristics of NED funding.

In addition, we regret that the GAO chose not to look at CIPE projects, which are fully consistent with this approach. In fact, in its one mention of CIPE, the GAO seems to have erroneously categorized CIPE's efforts as business development rather than strengthening the capacity of private groups to build a constituency for free market democratic reforms through advocacy and educational programs.

Attached are detailed comments, in which we have tried to offer specific language to either correct or add information to be considered for inclusion in your report. Though the dollar amounts spent by NED in the years being reviewed may seem small in comparison to those of other donors, we believe the projects they supported merit greater attention in your report. In the case of the two party institutes (NDI and IRI), we have included the full texts of letters prepared by their respective presidents. The NED requested these letters because, having reviewed the text and knowing the efforts of these two institutes, we believe the draft report casts a more negative light on their efforts than the facts merit.

1101 Fifteenth Street, N.W., Suite 700, Washington, D.C. 20005 Phone: (202) 293-9072 Fax (202) 223-6042

BOARD OF DIRECTORS	John Brademas	Harry Barnes, Jr.	Robert H. Kriebel	William E. Brock
	<i>Chairman</i>	Zbigniew Brzezinski	Richard G. Lugar	Dante B. Fascell
	Paula Dobriansky	Lynn Cutler	Matthew F. McHugh	John Richardson
	<i>Vice Chair</i>	Malcolm S. Forbes, Jr.	David M. McIntosh	<i>Chairmen Emeriti</i>
	Susan Kaufman Purcell	Bob Graham	Mark Palmer	
	<i>Secretary</i>	Antonia Hernandez	Donald M. Payne	
	Edward Donley	Fred C. Ikle	Stephen J. Solarz	Carl Gershman
	<i>Treasurer</i>	James A. Joseph	Julia Taft	<i>President</i>
		John T. Joyce	Paul Wolfowitz	
		Thomas H. Kean	Ken Young	

See comment 1.

See comment 2.

Appendix XII
Comments From the National Endowment
for Democracy

Thank you again for the opportunity to respond to the draft report. If you need any further information, please do not hesitate to call me or the Director of Program, Barbara Haig.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Carl Gershman', with a long horizontal flourish extending to the right.

Carl Gershman

Enclosures

The following are GAO's comments on NED's letter dated November 28, 1995.

GAO's Comments

1. The primary focus of the center's projects was to promote privatization and market reform, two areas outside the scope of our review.
2. Technical corrections and wording changes offered by NED were incorporated in the report text where appropriate.

Comments From the International Republican Institute

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

IRI

Advancing Democracy Worldwide

November 22, 1995

International Republican Institute

Suite 900
1212 New York Avenue, N.W.
Washington, D.C. 20005-3987
(202) 408-9450
(202) 408-9462 FAX
Internet: iri@iri.org

Mr. Harold J. Johnson
Director, International Affairs Issues
National Security and International Affairs Division
U.S. General Accounting Office
Washington, D.C.

Dear Mr. Johnson:

The International Republican Institute welcomes the opportunity to review and comment on the Government Accounting Office's draft report on U.S.-funded democracy programs in Russia (GAO code 71129). There are several points in the report that IRI would like to note and address.

At the outset, it is important to note U.S. Ambassador to Russia Thomas Pickering's recent appraisal of IRI's work in advancing Russia's democracy: "The Embassy continues to work very closely with IRI's Russia office, and we appreciate IRI's excellent work here. In particular, both AID and the political section praise IRI's outreach and training of political party activists, which provides a much-needed function in Russia's emerging democracy."

While IRI would not disagree with the GAO report's comment that the environment for political party growth in Russia has been inhospitable, we do think it would be naive and unrealistic to expect that, after seven decades of Communist Party control and centuries of despotism, fully functional democratic political parties could be established in Russia in three and a half years. The Institute's approach has been to help those Russians dedicated to democracy begin to build democratic parties up from the grassroots, the indispensable ingredient to any strong national organization. Russia's reformist parties have been persistent in their efforts to build their organizations and field candidates despite the unpopularity of their free market message (in the middle of the hardships generated by the transition from a command to a market economy), and despite the population's view of "party" (a harsh memory from the days of Communist Party control).

To date, the results of such efforts to shape Russia's civil society were perhaps best demonstrated during the Chechnya war. Russia's Democratic Choice leader Yegor Gaidar and Yabloko Party leader Grigori Yavlinsky -- both of whom have worked closely with IRI -- were vocal in protesting the Russian government's conduct of the conflict. Such vocal, public

Board of Directors:

U.S. Senator John McCain
Chairman
Michael V. Kostiw
Vice Chairman
J. William Middendorf, II
Secretary-Treasurer

Bruce Benson
Craig L. Berkman
J. Kenneth Blackwell
U.S. Representative David Dreier
Lawrence S. Eagleburger
Frank J. Fahrenkopf, Jr.
Alison B. Forster
Mayor Susan Golding
Wendy Lee Gramm
Blake G. Hall

Jean J. Kirkpatrick
Jack A. Laughery
Richard P. Lawless
U.S. Representative Bob Livingston
U.S. Senator Connie Mack
Peter T. Madigan
David F. A. Norcross
Alex L. Potvin, II
Brent Scowcroft
Richard S. Williamson

Luanne W. Craner
President
Grace T. Moe
Vice President
John M. Dowd
General Counsel

Mr. Harold J. Johnson
Page Two

opposition to Russian government policies, unthinkable just a few years ago, was instrumental in forcing the government to agree to a cease fire. The effect of the political party leaders' actions regarding the Chechnya conflict -- coupled with the role played by Russia's increasingly vibrant media and other independent actors -- are the most visible evidence of the growth of a democratic civil society in Russia.

IRI's programs provide practical grassroots political skills to such reformist political parties, candidates, and elected officials. From late 1991 (with NED funding) and through 1992 and 1993 (with AID funding), IRI conducted training in 19 cities from northern and western Russia to eastern Siberia. Of the approximately 1,800 party activists trained by IRI in the two years after the demise of the Soviet Union, over 1,000 began to play their part in the building of Russia's civil society as campaign workers during the 1993 national and subsequent local elections. Thirty-two IRI trainees ran and 12 won seats in the December 1993 Duma (national parliament) elections; among those IRI trainees winning subsequent local races was the first female democratic party member on Moscow's City Council.

In 1994, with AID funding and approval, IRI intensified its grassroots efforts with political parties, regional legislators, women and youth groups by concentrating training and consultations in nine cities and surrounding regions. In the north, IRI trains in St. Petersburg, Arkhangelsk, and Murmansk; in the south, in Rostov-na-Donu, Voronezh, and Volgograd, and in the Urals and Siberia, in Perm, Novosibirsk, and Tomsk. (We note that the GAO travelled to only one of these nine cities).

During 1994 and 1995, approximately 3,000 party activists participated, and many returned for advanced training. Numerous 1994-95 trainees are already involved as candidates politically at the local and national levels. For example, following a February 1994 Women's Program in Novosibirsk, four women decided to run for the City Duma in their home of Tomsk. Three won. At the national level, 72 IRI trainees, including 32 incumbent Duma members who believe in the value of IRI's training, are running in the upcoming December 17 Duma elections. IRI trainees constitute the majority of their campaign managers and workers, and hundreds of other trainees will be managing and working on additional campaigns.

In response to the report's comment that IRI's "training was not always applicable...some U.S. political or campaign practices such as phone banks and door to door canvassing cannot be fully utilized in Russia because of technological and cultural factors," IRI is, after many years of global training and subsequent program evaluation, obviously highly aware of the need to provide trainees in any country with training applicable to the country's experience. In many countries, for example, direct mail operations are pointless because efficient nationwide mail systems do not exist; in Russia, for similar reasons, national phone banks would not work. In some countries, however, methods that IRI is sometimes told "won't work here" because of "cultural factors" -- including phone banks and door-to-door canvassing -- do, in fact, work, if adapted to local capabilities and culture. These methods and others that rely on grassroots

See comment 1.

See comment 2.

See comment 3.

Mr. Harold J. Johnson
Page Three

organization are used by democrats in overcoming the enormous financial advantages held by many of those not dedicated to reform in Russia.

For example, Voronezh reformist State Duma Deputy Victor Davydkin's 1993 campaign won using local phone banks and door-to-door activities. His campaign manager, Katya Morgunova, initiated these efforts. Ms. Morgunova learned the techniques through IRI programs -- and has since become a trainer in IRI's effort to teach these and other successful methods to help other reformists win office. Today, in Moscow, German Khrustalev is one of 22 candidates for a State Duma single seat constituency. During the recent signature collecting period, while many of his opponents were paying people to collect signatures (a legal practice in Russia), Mr. Khrustalev used his IRI training to recruit volunteers to go door-to-door to collect his. "I had 20 to 25 volunteers going door-to-door asking people to sign my petition and let a young man with new ideas represent them in the State Duma. The IRI material said you build from your friends and colleagues, so that's what I did." Mr. Khrustalev plans to further apply door-to-door practices in his campaign. That door-to-door canvassing does not work would come as a surprise even to Russia's Communists, who are not assisted by IRI. According to the official in charge of organizing Vladimir's March regional elections, "you have to hand it to the communists -- they went door-to-door campaigning for their candidates. They did a lot of work, and that's how you win elections in the end." (*Moscow Times*, "Lure of the Communists: Discipline, Nostalgia April 1, 1995, p. 1) The Communist party swept those elections.

With regard to the GAO's finding that IRI has not "attempted, in any significant manner, to make their programs in Russia sustainable," IRI believes that encouraging Russian trainees to train Russians, as mentioned above, provides the significant sustainability needed to ensure continued democratic development after our departure. To cite further examples of this methodology: Maria Negodaeva, a resident of Rostov-na-Donu who received IRI training, is a campaign manager for both Rostov and national Yabloko Party candidates. She conducted training for Yabloko's regional campaign managers in September, using IRI training in campaign planning and message development as tools. Vladimir Lukashov, chief of staff for the Russia's Choice faction in the State Duma, has conducted sessions for the faction's members based on IRI training. IRI incorporates a training the trainers session into each of its seminars. The participants, who include workers for the democratic parties, are those likely to conduct training long after IRI ceases its work in Russia.

As the GAO mentions in its report, IRI has, since 1993, trained at the Moscow School of Political Studies, a non-governmental organization (NGO) with a proven track record with elected officials at the national and regional level on political and governance skills. IRI also helps fund the School. From practical experience with the Moscow School, IRI has for some years believed that assistance to such NGOs can be very useful in advancing and sustaining Russia's democratic transition. We therefore welcomed AID's encouragement last spring to begin planning to assist Russian NGOs in FY '96, and the GAO's prominent noting of Russians' urgings that we extend further support to such organizations (despite the fact that the GAO "did not evaluate USAID's...nongovernmental organization support projects"). Since beginning

See comment 4.

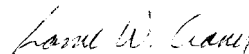
Mr. Harold J. Johnson
Page Four

assistance to the Moscow School, however, we have been unable to find other NGOs capable of credibly providing political party education. In the meantime, IRI will continue working with the political parties to strengthen their training mechanisms. We believe that IRI's Russian trainees who have practical experience in running and winning campaigns -- such as Ms. Morgunova -- are more credible, and therefore more effective, trainers of their fellow Russians.

Finally, GAO's report gives well deserved praise to the International Foundation for Electoral Systems for its contributions to Russia's democratic development, highlighting IFES's assistance "in the development of...recent legislation governing elections for the State Duma. As a result of these laws, Russia now has in place a permanent and more independent election commission and voting rights and Duma election procedures. This compares favorably to the situation in December, 1993..." Given the GAO's emphasis on this matter, we were surprised and disappointed by the GAO's failure to mention IRI's significant contribution to the same election law. According to Mr. Alexander Ivanchenko, Vice Chairman of Russia's Central Election Commission, "the report provided by IRI's [December 1993] international observer delegation served as the road map for the CEC in making improvements to the election law." Of the 20 election law recommendations in IRI's report, 18 were addressed in whole or in part in the Duma election law signed by President Yeltsin on June 21, 1995. Mr. Ivanchenko's comment regarding IRI's report, and the subsequent passage of the law containing IRI recommendations, would, we hope, earn IRI's effective work on the matter some place in the GAO's highlighting of contributions to Russia's new election law.

Given the difficulties of bringing democracy to a country that has only ever known totalitarianism, and IRI's decision to concentrate its efforts in a limited number of Russian cities, we are fully aware that our program could be characterized as only affecting Russia at the margins. It is evident, however, that our programs have much more than marginal impact. Russian reformers face enormous difficulties and challenges in building their organizations. Political party organizations, vital to a democratic civil society, should be given more than three and a half years to develop.

Sincerely,



Lorne W. Craner
President

See comment 5.

See comment 6.

The following are GAO's comments on IRI's letter dated November 22, 1995.

GAO's Comments

1. We visited seven cities in Russia, including two of IRI's target cities (St. Petersburg and Novosibirsk). In Moscow and other cities, we met with political activists who had attended programs in other IRI target cities as well.
2. IRI examples have been incorporated into the report. However, while IRI's efforts may have helped some candidates win in local elections, its project thus far has been unsuccessful at its primary objective of developing reformist political parties. In contesting the 1995 parliamentary elections, the reformist parties again failed to form either a national coalition or national party structures.
3. IRI examples have been incorporated into the report. At best, however, IRI has had mixed results in getting Russians to use its campaign techniques.
4. We have deleted from our report the discussion on IRI's efforts to make its program sustainable.
5. During our discussion with CEC officials, including the Vice Chairman, they did not mention IRI's observer report as making a significant contribution to improving Russia's election law.
6. We have modified the report to reflect IRI's interpretation that its program will have an impact at the margins.

Comments From the National Democratic Institute for International Affairs

Note: GAO comments supplementing those in the report text appear at the end of this appendix.

National Democratic Institute For International Affairs

conducting nonpartisan international programs to help promote, maintain and strengthen democratic institutions



1717 Massachusetts Avenue, NW
Fifth Floor
Washington, DC 20036
(202) 328-3136
FAX (202) 939-3166
E-MAIL: demos@ndi.org

Chairman

Paul G. Kirk, Jr.

Vice Chair

Rachelle Horowitz

Secretary

Kenneth F. Melley

Treasurer

Hartina Flournoy

Finance Chair

Eugene Eidenberg

Board of Directors

Morton I. Abramowitz

William V. Alexander

Bernard W. Aronson

Emanuel Cleaver, II

Thomas F. Eagleton

Barbara J. Easterling

Dante B. Fascell

Edward F. Feighan

Geraldine A. Ferraro

Shirley Robinson Hall

Maxine Isaacs

Peter G. Kelly

Peter Kovler

Elliott F. Kulick

Lewis Manilow

Azie Taylor Morton

Mark A. Siegel

Theodore C. Sorensen

Michael R. Steed

Maurice Tempelsman

Marvin F. Weissberg

Andrew J. Young

Raul Yzaguirre

Senior Advisory Committee

Michael D. Barnes

John Brademas

Bill Bradley

Richard F. Celeste

Mario M. Cuomo

Patricia M. Derian

Christopher J. Dodd

Michael S. Dukakis

Martin Frost

Richard A. Gephardt

John T. Joyce

John Lewis

Mike J. Mansfield

Donald F. McHenry

Daniel Patrick Moynihan

Edmund S. Muskie

Bill Richardson

Charles S. Robb

Stephen J. Solarz

Esteban E. Torres

Cyrus R. Vance

Anne Wexler

Chairmen Emeriti

Walter F. Mondale

Charles T. Manatt

November 27, 1995

Mr. Louis Zanardi, Assistant Director
International Affairs Issues
U.S. General Accounting Office
Washington, D.C.

Dear Mr. Zanardi:

Attached is NDI's response to the GAO draft report on U.S. funded democracy programs in Russia (GAO code 711129).

We appreciate the opportunity to respond to the draft and thank you for your continuing interest.

Sincerely,

Kenneth D. Wollack
President

Kenneth D. Wollack—President • Jean B. Dunn—Vice President for Administration & Development
Senior Associates: Patricia Keefer—Political and Civic Organization • Thomas O. Melia—Democratic Governance
Nelson C. Ledsky—Former Soviet Union • Patrick Merloe—Election Processes
Program Coordination Director: Eric C. Bjornlund
Senior Consultant: Eddie Charles Brown





NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

Fifth Floor, 1717 Massachusetts Avenue, N.W. Washington, D.C. 20036
(202) 328-3136 ■ FAX (202) 939-3166 ■ E-Mail: demos@ndi.org

November 27, 1995

NDI Response to GAO Draft Report on U.S. Democratic Development Assistance to Russia

NDI has received a copy of the draft report on U.S. funded democracy programs in Russia (GAO code 711129). We appreciate the complexity of the GAO's effort to assess political development programs in the Russian Federation. However, we are concerned with a number of inaccuracies contained in the draft. Accordingly, we welcome this opportunity to respond.

Since 1990, the National Democratic Institute for International Affairs (NDI) has conducted democratic development programs in the Russian Federation. These programs are designed to support the development of an effective and responsive democratic political process by providing information, advice and a supportive presence to those Russians who are committed to the democratization of their society. We work with them in programs that focus on political and civic organizing and strengthening parliamentary and local government reform. In all of its work in Russia, NDI strives to take into account the vicissitudes of the enormous, historic and unprecedented transformation facing Russians, to be sensitive to local political considerations, and to adapt its programming to meet both the evolving realities of the moment and the requests of Russian colleagues. Overall, our efforts are subject to the same resistance and difficulties that confront Russia's reformers.

NDI does not underestimate the difficulties inherent in promoting democratic development in a country as large and complex as Russia. We have regularly and openly acknowledged the challenges of working there, as the GAO report notes. NDI also recognizes the problems inherent in evaluating democracy development programs. By nature, these programs are often long-term investments in individuals, institutions and processes. However, the evidence compiled to date demonstrates that the Institute's programs have produced positive results. We believe they will continue to contribute to Russia's democratization process in the future and look forward to the challenge of pursuing that objective.

While the methodologies used by the GAO would appear to be similar to those utilized by other independent evaluators, the conclusions are quite different. The GAO evaluators claim that NDI and IRI have "thus far been unable to overcome the inhospitable environment in Russia for political party development." However, a May 1994 independent evaluation by Management Systems International concludes otherwise:

"NDI has successfully established its programs in [Russia] and conducted trainings which have resulted in changes in the operation of the political parties they have assisted. NDI's support for programs in cities throughout the

1



conducting nonpartisan international programs to help maintain and strengthen democratic institutions



Russian Federation has contributed to the beginning of an infrastructure of political activists.... NDI's work in [Russia] has made a demonstrable positive impact on the clients they have served. Quantifiable and qualitative changes were noted in the operations of municipal organizations, political parties and the civic and political activists which they have assisted."

Seven specific statements in the GAO draft report require, in our view, correction or further elaboration.

1. On page 54, the draft report states: "Beginning in 1992, USAID awarded NDI and IRI grants that totaled about \$21 million to conduct political party development programs in Russia through 1997."

In fact, NDI has been awarded considerably less than the sum indicated. USAID has granted \$7.8 million to NDI for all of its programs in Russia in the period 1992-1997. Through the end of FY95, approximately \$6.3 million has been drawn down by NDI. More than half the funds have been expended on programs distinct from political party work. As noted in several passages below, NDI is engaged in a variety of programs to strengthen Russia's civil society; only about 40 percent of the effort has been devoted to political parties -- roughly \$2.5 million since 1992.

2. The GAO draft report says on page 54: "NED also provided NDI and IRI \$200,000 to monitor the April 1993 national referendum...."

In fact, NED funding to NDI in the spring of 1993 was directed toward voter education efforts as well as domestic election monitoring. Moreover, the draft report does not take into account the several NDI party development programs conducted before the 1993 elections that were also funded by the National Endowment for Democracy. The impact of these programs deserves mention in any assessment of NDI's party-related work.

3. The draft report states on page 55: "We found little evidence that NDI and IRI efforts have significantly strengthened reformist national political parties, either organizationally or in terms of increased membership or performance in elections..."; on page 60: "Some U.S. political campaign practices such as phone banks and door to door canvassing cannot be fully utilized in Russia because of technological and cultural factors..."; and again on page 55: "Reformist parties have either been unwilling or unable to form coalitions or build national organizations...."

In fact, NDI's programs have provided significant assistance to Russia's emerging democratic parties, including leadership development, skills development for national and regional organizers, advice on organizational structure, the development of nationwide organizations and improved relations between the center and the regions, and training in conducting training programs. This assistance has produced results.



Appendix XIV
Comments From the National Democratic
Institute for International Affairs

The target of NDI's political party programming has always been the day-to-day organizers and managers of the democratic political parties in Moscow and the regions. Since 1992, when NDI opened its office in Russia, NDI has provided training and assistance to more than 4,000 political organizers in Moscow as well as more than 25 cities across Russia. This training has been extended to Democratic Choice of Russia, Yabloko, Forward Russia, the Republican Party, the Party of Economic Freedom, Transformation of the Urals, Women of Russia, Our Home is Russia, the Democratic Russia Movement, Svyateslav Fyodorov's Party (Party of Workers' Self-Government), Democratic Party of Russia, the Party of Russian Unity and Concord, the Rybkin bloc, and the Congress of Russian Communities, among others.

These programs have had a positive impact on the way parties have approached organizational issues. In those cities outside of Moscow where NDI has focused its attention, there has been a sharp improvement in parties' preparations. Before the 1993 elections, the parties relied on free television and advertising, organized large but ineffective meetings, depended only on a handful of donors for support, had inadequate press operations, and based their platforms and messages mostly on candidate biographies rather than ideas and public attitudes. In 1995, NDI has observed markedly different behavior among the parties with which it is working. These parties are targeting their communication to voters based on demographic and geographic information from the previous elections; conducting research on voter attitudes through focus groups and polling; contacting voters through small meetings, coalitions with civic groups, door-knocking, organizing phone banks, and public leafletting; organizing more sophisticated press operations that attempt to create news and respond to events; and relying on party activists who consider party organizing their full-time jobs. Much of this change can be attributed to NDI training. Contrary to the claim made by the GAO evaluators (on page 60), door-to-door canvassing and phone banks are applicable to the Russian context and, despite initial reluctance by some, are today being used extensively and successfully by Russian parties.

NDI has also had a positive impact on the planning efforts of national party leaders. For example, representatives of one major party told NDI in January 1995 that they could not begin preparation for the December elections until the summer. As a result of efforts by NDI trainers, an initial program on election-related organizing was conducted in March, following which the party requested three more programs for 90 additional party activists that were conducted throughout the summer.

Although a formal democratic coalition has not emerged for the December 1995 elections, there has been considerable coordination of candidates in single-member districts, a significant development ignored by the GAO. In its efforts to improve coordination mechanisms among reform-minded political groups, NDI conducted round table discussions on cooperation in December 1994 and April 1995. These programs provided a neutral forum in which party organizers were able to identify areas of agreement and discuss points of difference, and offered an opportunity for informal discussion among peers. The April program was held at the request of the participants in the December round table as a way to continue the discussion process. The Russian newspaper *Nezavisimaya gazeta* in May listed



the April program as one of the most important political events of the previous two months. Moreover, key party organizers report that the programs had a direct impact on the parties' efforts to coordinate candidates.

For example, a member of the Social Democratic Party of Russia from Khabarovsk, who has been a past participant in NDI seminars and traveled to the U.S. with NDI to observe the 1994 elections, organized a coalition of democratic forces in Khabarovsk following his trip. The coalition members pledged to nominate one joint candidate in each single-member district for the December 1995 parliamentary elections.

Also, NDI programs have played an important role in helping the parties to develop a national structure of capable, committed organizers. The programs have stimulated the parties to identify these individuals early and train them for their organizational tasks. They have also given the national parties a concrete service that they can provide for their regional structures, further strengthening the ties between the center and the regions. Prominent political reformers have described these programs as an important opportunity to identify their most committed and talented party workers.

NDI programs also have been able to assist the leaders of the political parties to expand their views on party development. In June 1994 and March 1995, NDI (jointly with IRI) hosted the visit to Washington of leadership delegations from Democratic Choice of Russia (DCR) and the Democratic Party of Russia (DPR). These delegations, led by the parties' chairmen, who paid their own transportation costs, provided the leaders and their top party organizers with an in-depth view of the structure and operations of the two major American political parties. The party organizers commented afterwards that these visits were invaluable to their leaders in helping them to understand how political parties should operate and be structured. NDI also hosted a 10-month visit by the campaign manager for DCR in 1994-95. These visits led directly to changes in party organization, particularly approaches to volunteer recruitment.

There have been numerous other examples of the concrete impact of NDI's programs:

- NDI conducted a local government program with NED funding in 1990 that led to the formation of an association of local governments. When Russian television barred Boris Yeltsin's call to resist the coup attempt in August 1991, it was the association, working out of the Moscow City Council, that publicized Yeltsin's speech to more than 80 cities.
- As a result of a March 1993 NDI consultation with a leading organizer of the Democratic Russia Movement (DemRossiya), the Movement distributed volunteer cards at rallies prior to the April 1993 referendum. As a result, DemRossiya collected nearly 30,000 names and addresses of supporters.
- With NED funding, NDI produced a series of voter education films that were aired



See comment 5.

on numerous occasions before the 1993 elections on Russia's two state television channels, reaching an estimated audience of 150 million each. These public service announcements were aired free of charge and were the only such materials by a non-Russian organization that were broadcast.

- In St. Petersburg, an NDI seminar in March 1995 prompted Democratic Choice of Russia activists to conduct focus groups to gauge voter opinions. NDI provided detailed consultations. The results of the focus groups, which were conducted in May, are currently being used by the local party as part of its political organizing strategy for the December elections. The results also are being used by national party activists as they conduct their own nationwide analysis and preparations.
- NDI conducted a training seminar in March 1995, also in St. Petersburg, on the interaction between political parties and civic organizations in an election period. At the end of the seminar, representatives of several political parties requested full lists of all civic participants and DCR appointed several of their members to follow up on contacts with each of the organizations that were present.
- In October 1995, the leader of the Yabloko party in Krasnodar informed NDI that his organization would soon conduct a three-day training session for the campaign staff of all seven candidates in the region (50 participants in all), using NDI materials and information learned from past NDI seminars.

4. On page 55, the draft GAO report says: "USAID...counseled NDI and IRI to direct more of their resources to working with grass roots nongovernmental organizations, thereby supporting the overall shift of the U.S. democracy program to developing a democratic civil society..." and on page 61 it says: "A number of participants in both NDI and IRI programs indicated that to better promote democracy in Russian the United States should support more civic education activities...Also, some participants told us that the United States should support civic advocacy groups that are attempting to increase public participation in the local political process...."

The GAO evaluation focuses exclusively on political party development, ignoring the substantial portion of our work that is devoted to strengthening civil society -- and then suggests that NDI should do more. It is unfortunate that the report does not review NDI's existing and extensive civic advocacy programs in Russia. These programs are integral to NDI's mission in the Russian Federation. They are based on the objectives of promoting civic education and providing alternative avenues for citizen participation in politics. NDI programs in regional cities have promoted coalitions among civic groups and enhanced communication between these groups and political parties and local governments. In preparation for the December 1995 parliamentary elections, as well as upcoming presidential and local elections, NDI has conducted programs in St. Petersburg, Ekaterinburg, Nizhnii Novgorod and Moscow on the ways that civic groups can voice their interests, through sponsoring candidate forums and debates, distributing candidate questionnaires, conducting



See comment 6.

research on voting records, providing volunteers and resources to campaigns, publicizing the group's issues and placing them on parties' and candidates' platforms, monitoring elections, and encouraging their members to vote. We would recommend that the final report acknowledge, as have other independent evaluators, NDI's considerable work to date in this sphere.

The draft report asserts that political party activists would prefer that NDI and IRI carry out broader civic education, rather than continuing political party programming. These are not mutually exclusive priorities, as our record to date demonstrates. Certainly, there is evidence of a growing demand for our assistance. First, there has been a dramatic increase in requests for party programs by traditional recipients of NDI assistance, as well as by new parties and those that have not previously asked for such assistance. Second, in response to NDI's Russian newsletter, which is mailed to more than 4000 political activists throughout the country, the topic of greatest interest is political party and civic development. For example, during a two-week period in October 1994, NDI received 263 letters: over 40 per cent expressed interest in additional information and training on political and civic organizing; 11 per cent requested materials on local government; 11 per cent asked for analyses of Russian and American politics, economics and history; and the remainder indicated interest in topics such as human rights, the environment, mass media, etc.

5. The GAO evaluators claim on page 56 that: "...NDI and IRI's efforts did little to improve the performance of the democratic parties in the December [1993] elections, primarily because of weaknesses of the parties and the circumstances in which the elections were called." On page 55, the report states that: "USAID officials...caution that its assistance will likely have a minimal impact on the performance of the democratic parties during parliamentary and presidential elections planned for 1995 and 1996."

NDI has consistently maintained that the electoral performance of particular parties should not be a key criterion by which democratic development programs are judged. Indeed, it is not included as an objective in the Institute's original program proposal. By referring to electoral performance in its draft report, the GAO has thus established its own objectives for political party development programs and then has unfairly judged assistance programs based on those objectives. In doing so, the GAO evaluators also use broad, sweeping generalities to substantiate their claims.

NDI is not in a position to influence the outcome of elections, nor should it be. NDI's work with reformist political parties has focused on imparting organizing skills, developing regional structures, and strengthening bases of support. These factors, while necessary to parties' electoral success, are not sufficient to determine the outcome of an election. There are many other variables at play in an election -- including socioeconomic circumstances, public opinion, and political culture -- over which NDI has little or no control, at least in the short term.

One prominent Russian reformer, who conceded that Russia is in the midst of a "pre-political

See comment 9.

period,” pointed out that the concept of genuine choice at the polls is not yet understood by the average Russian voter. At the same time, he asserted that NDI programs have been a life line to “political subcultures” throughout Russia. These democratic subcultures, he argued, will eventually emerge at certain “points of breakthrough.” This reformer told the Institute that without NDI’s party programs, the “field would be left” to extremist forces on the far left and far right.

In describing the performance of democratic parties during the 1993 elections, the GAO selectively refers only to results for party list balloting, ignoring single-member constituency races. For example, on the basis of a strong showing in single-mandate districts, Russia’s Choice, the leading pro-reform bloc at the time, emerged as the single largest faction in the Duma. It is unclear what indicators the GAO uses in concluding that the NDI and IRI programs “did little to improve the performance” of democratic parties. By what benchmark is “improvement” judged? It would be equally fair to ask how the parties might have performed without assistance from NDI and IRI.

6. On page 59, the GAO report says that: “U.S. and Russian officials we spoke with said NDI and IRI party development programs will never have more than a marginal impact in Russia....” and “NDI and IRI officials told us that the impact of their party development programs may never be more than marginal....”

See comment 10.

We believe this is a misinterpretation of comments made to the GAO team. The point was not that the impact of these programs is “marginal,” but rather that it is made “on the margins” of the political process. While seemingly a semantic issue, the distinction between these two versions is important and goes to the heart of a proper approach to democratic development.

International organizations providing democracy development assistance must vigilantly avoid even the appearance of interference in the host country’s politics. This sensitivity demands that NDI play a supporting role in its work with political parties and electoral reform. The Institute has carefully observed this requirement in its work in Russia. The transition itself is and should be driven by the internal dynamics of Russian society. NDI can at best facilitate and support those indigenous developments that hold promise for further democratization. Unlike many economic development programs, political development in Russia and elsewhere requires the active involvement and dedication of individuals in those countries within which U.S. organizations work. Therefore, by its very nature all such democracy assistance is carried out “on the margins.” This is not to say, however, that the assistance is “marginal.” U.S. Embassy and AID officials, as well as NDI employees, sought to explain this subtle but critical difference to GAO evaluators.

7. The GAO draft states on page 60 that: “An additional shortcoming of both NDI and IRI is that neither has attempted, in any significant manner, to make their programs in Russia sustainable.”



See comment 11.

NDI disagrees with the accuracy of this characterization and its implication. We have made deliberate efforts to increase the capacity of the parties themselves to conduct their own training. NDI staff have included party leaders in the planning process for NDI party programs. The Institute has worked directly with party leaders in developing program agendas. It has also worked with party activists on handling the organizational aspects of training programs. In several cases the parties have themselves identified trainers from within their ranks to conduct the programs. It is envisioned that these experiences will make each of the participating parties more capable of sustaining its own development after NDI's departure.

Also, NDI has cooperated with the political journal *Polls* to produce one of the few sources of contemporary information on politics and political thought that reaches well over 6,000 individual subscribers, political organizers, politicians and universities throughout Russia and other parts of the former Soviet Union. Particular articles have been reproduced for university syllabi and requested by members of the Russian Presidential Administration for review and consideration. The Institute has also sponsored a well-attended course on issues of democracy at Moscow State University.

General Comments

More generally, NDI has helped democratic parties by transferring political organizing skills faster than if the parties had to learn them through trial and error. Experienced Russian political activists have traditionally been reluctant to share their knowledge. Through its trainings in Russia, NDI has broadened the circle of individuals who have access to political organizing skills from a few hundred to thousands.

One key to NDI's success in its programming in Russia has been its Moscow office, the staff of which is able to meet with the political parties on a regular basis to adjust programming to ensure that it meets their needs. A concrete measure of NDI's effectiveness has been the extent to which current training is conducted on a "demand" basis. As late as the winter of 1993-1994, much of NDI's regional programming was proactive, with NDI working to arrange programs. Since then, nearly all of NDI's activities have been organized in response to requests from political parties or regional activists who have participated in previous Institute programs. The fact that the parties themselves are participating in the design and execution of the programs, as well as the fact that they are contributing their own human and financial resources, is evidence that the training that NDI provides has been well received and is applicable to the Russian situation. Also, NDI maintains a library of roughly 150 party-organizing documents in Russian. These materials are in great demand from party activists, who circulate them to their colleagues and who report that they use them as everyday references as they prepare for the upcoming elections.

Assessing immediate and concrete results to some extent obscures the larger and long-term objectives of increasing public participation in politics and in building democratic institutions in the Russian Federation. Progress toward these goals is necessarily incremental. During the first years of a democratic transition, political and civic organizations tend to rise and fall



rapidly as they search for the best way to express and represent the interests and concerns of citizens. Working with these organizations, even those that may subsequently disappear, is an investment in the human capital from which all political institutions are ultimately molded. Similarly, the capacity of political institutions to channel and contain diversity of opinion depends on the wisdom and commitment of those who comprise them.

International assistance can advance the process. NDI's programs provide democrats throughout Russia with additional skills and support to assert leadership, to be responsive to public interests, to put themselves forward for continued and regular popular judgement, to sustain each other through the shared experience of setbacks and success, and to institutionalize democratic politics. Increasingly, political activists from across Russia are turning to NDI as a neutral and respected source of information and training.

Ultimately, however, it is the Russians themselves who must experiment with and adapt international experiences to their own situations. Only the local citizenry can invest its institutions with authority that is responsible, respected and essentially democratic.

The GAO draft report is accurate in its conclusion that the Russian environment presents serious and unique challenges to reform. The report notes that one major obstacle to the development of political parties in Russia was the delay in holding a founding election. The first multiparty elections were not held until two and a half years after Communism's collapse. By that time, segments of the Russian population had become disenchanted with democracy and reform. Further, the 1993 elections were called under traumatic circumstances that caused disillusionment among many political actors. Also, the elections were called abruptly, giving parties only two months to prepare.

The GAO team does not take into account several other factors that have hampered the development of a strong multiparty system. The first is Russia's historical lack of democratic traditions. The second is the Communist Party's roughly seventy-year hold on Soviet Russia, a far longer span than in Eastern Europe, for instance. The Russian culture thus exhibits both a lower degree of independent thought and action and greater antipathy toward any organization characterized as a "party." For these reasons, among others, the challenge of political party development in Russia is enormous. We agree with the draft report's conclusion that the Russian environment is less than conducive to reform. We do not, however, see the environment as inhospitable, nor do we view these obstacles as pretexts for halting the effort. On the contrary, only three years into its five-year cooperative agreement with AID, and despite the many difficulties, NDI sees concrete evidence of progress in the realm of party and civic organizing. NDI expects that these advances will continue over the coming years.



The following are GAO's comments on NDI's letter dated November 27, 1995.

GAO's Comments

1. The report has been modified based on updated USAID financial information.
2. The draft report stated that the \$200,000 was for election monitoring and sending Russian party leaders to the United States for training.
3. NDI examples have been incorporated into the report. At best, however, NDI has had mixed results in getting Russians to use its campaign techniques.
4. Despite these coordination efforts, the evidence obtained during our review suggests that successful coalition building had not taken place at the national level. For example, due to personality conflicts, two of the largest proreform political parties, Yabloko and Russia's Choice, had split into 11 different parties and movements by the December 1995 parliamentary elections.
5. The result of this training, when measured against performance of democratic reformist parties during the 1995 parliamentary elections, must be considered a major disappointment. Reformist political parties neither formed a national coalition or a national party structure. In addition, reformist parties apparently did not benefit from NDI's training. For example, the Democratic Choice of Russia—the leading proreform party in the 1993 election and an NDI client—failed to reach the 5 percent threshold for gaining party representation in the Parliament and the 1993 election in the State Duma.
6. Many organizations participating in the civic advocacy programs actually serve as a political base/organization for local politicians who are running for office, rather than as traditional civic organizations. Thus, we continue to view these programs as political party development.
7. While interest in political party training continues to exist, the effectiveness of such training in the current political environment is questionable. Many Russian political activists took the longer term view that civic education would make a more important contribution to promoting democracy in Russia.

8. Although the outcome of elections should not be held as the sole indicator, it is one indicator to assess the impact of political party development assistance. Unless parties are successful at increasing political representation, they are unlikely to attract the necessary financial and public support to grow and prosper.

9. In measuring party development, we believe it is appropriate to emphasize party performance over individual candidate performance. Moreover, in the December 1995 parliamentary elections, the performance of reformist parties at both the party and individual level was again disappointing.

10. We have modified the report to reflect NDI's interpretation that its program will have an impact "on the margins."

11. We have deleted from our report the discussion on NDI's efforts to make its program sustainable.

Major Contributors to This Report

National Security and
International Affairs
Division, Washington,
D.C.

Louis H. Zanardi
Judith A. McCloskey
Patrick A. Dickriede
Todd M. Appel
Jose M. Pena, III

Ordering Information

The first copy of each GAO report and testimony is free. Additional copies are \$2 each. Orders should be sent to the following address, accompanied by a check or money order made out to the Superintendent of Documents, when necessary. VISA and MasterCard credit cards are accepted, also. Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:

U.S. General Accounting Office
P.O. Box 6015
Gaithersburg, MD 20884-6015

or visit:

Room 1100
700 4th St. NW (corner of 4th and G Sts. NW)
U.S. General Accounting Office
Washington, DC

Orders may also be placed by calling (202) 512-6000
or by using fax number (301) 258-4066, or TDD (301) 413-0006.

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

For information on how to access GAO reports on the INTERNET, send an e-mail message with "info" in the body to:

info@www.gao.gov

**United States
General Accounting Office
Washington, D.C. 20548-0001**

**Bulk Rate
Postage & Fees Paid
GAO
Permit No. G100**

**Official Business
Penalty for Private Use \$300**

Address Correction Requested

