

-PC-AAA-490 ISBN 99839

94-316 F

CRS Report for Congress

Democracy Building: The Foreign Policy Budget Request

Ellen C. Collier
Specialist in U.S. Foreign Policy
Foreign Affairs and National Defense Division

April 12, 1994



Congressional Research Service • The Library of Congress



The Congressional Research Service works exclusively for the Congress, conducting research, analyzing legislation, and providing information at the request of committees, Members, and their staffs.

The Service makes such research available, without partisan bias, in many forms including studies, reports, compilations, digests, and background briefings. Upon request, CRS assists committees in analyzing legislative proposals and issues, and in assessing the possible effects of these proposals and their alternatives. The Service's senior specialists and subject analysts are also available for personal consultations in their respective fields of expertise.

DEMOCRACY BUILDING: THE FOREIGN POLICY BUDGET REQUEST

SUMMARY

Programs for promoting democracy received a substantial increase in emphasis and funds in President Clinton's budget request for Fiscal Year 1995. This was not a change in direction from the Bush Administration. Rather, the Clinton Administration continued a trend to increase efforts to promote democracy in foreign countries which began during the 1980s and increased as the Cold War ended.

In the FY 1995 budget request Building Democracy was made one of six categories in the international affairs budget. President Clinton requested \$2.85 billion for this category for FY 1995, more than 10% of the \$20.8 billion for the international affairs budget function. About half the funds requested would be contained in the Foreign Operations Appropriations and administered by the Agency for International Development (USAID). The other half would be contained in the State, Justice, and Commerce Appropriation and constitute the entire budget of the United States Information Agency (U.S.I.A.). Building democracy would become a major new objective for USAID and a more explicit one for U.S.I.A.

The proposed foreign aid reform legislation, the Peace, Prosperity, and Democracy Act, would state policy on or authorize some programs for which the appropriations are requested, including the account entitled Countries in Transition. Current laws authorizing aid to the former Soviet Union, Eastern and Central Europe, and U.S.I.A. activities would remain the basic authorizations for these programs. Annual authorizations would be required for appropriations for all programs.

The amount for the Building Democracy category does not accurately portray the amount of the International Affairs budget being spent for democracy related programs. Some of the category's funds are for other purposes, such as economic assistance, and additional funds for advancing democracy are contained in other segments of the budget. For example, USAID includes \$179 million under the Promoting Sustainable Development category for democracy programs. The Humanitarian Assistance category contains \$20 million for a Transition Initiative to provide short term assistance after a disaster to aid in political recovery. Under the Promoting Peace category, numerous economic or direct military training programs have elements to promote democracy.

Issues for Congress include accountability; overlapping activities of different agencies; effectiveness; criteria for providing or denying assistance and for establishing priorities among countries; and how much the program represents change.

CONTENTS

INTRODUCTION: THE MEANING OF DEMOCRACY PROGRAMS	1
DEMOCRACY BUILDING IN FOREIGN OPERATIONS	
APPROPRIATIONS	3
NEW INDEPENDENT STATES OF THE FORMER	
SOVIET UNION (NIS)	3
CENTRAL AND EASTERN EUROPE	4
COUNTRIES IN TRANSITION	4
Chart 1: FY 1995 Request	6
Chart 2: FY 1995 Request, Allocation by Region	6
SUPPORT FOR DEMOCRATIC PARTICIPATION IN	
SUSTAINABLE DEVELOPMENT	7
TRANSITION INITIATIVE UNDER HUMANITARIAN ASSISTANCE	8
DEMOCRACY BUILDING IN PROMOTING PEACE CATEGORY . . .	8
DEMOCRACY BUILDING IN STATE, JUSTICE, AND COMMERCE	
APPROPRIATION	9
ASIA FOUNDATION	10
ISSUES	10
APPROPRIATENESS OF PROMOTING DEMOCRACY IN OTHER	
COUNTRIES	10
EFFECTIVENESS	10
CRITERIA FOR GIVING DEMOCRACY ASSISTANCE	11
OVERLAPPING AND COORDINATION	12
ACCOUNTABILITY	12
DEGREE OF CHANGE	12
TABLES	14
TABLE 1: Promotion of Democracy in International Affairs Budget . .	14
TABLE 2: USAID FY 1995 Request for Democracy Programs By	
Country	15

DEMOCRACY BUILDING: THE FOREIGN POLICY BUDGET REQUEST

INTRODUCTION: THE MEANING OF DEMOCRACY PROGRAMS

Since the end of the Cold War, the promotion of democracy has been elevated to a major goal of U.S. foreign policy. In his State of the Union message on January 25, 1994, President Clinton said, "Ultimately, the best strategy to ensure our security and to build a durable peace is to support the advance of democracy elsewhere. Democracies do not attack each other. They make better trading partners, and partners in diplomacy."¹ Earlier, on September 21, 1993, Assistant to the President for National Security Affairs Anthony Lake had said, "The successor to a doctrine of containment must be a strategy of enlargement--enlargement of the world's free community of market democracies."²

The promotion of democracy is a widely shared goal, but many different forms of democracy exist, and there is little knowledge and no certainty on the best ways of promoting democratic government. In the broadest sense, many programs which promote health, education, welfare, and peace may also ultimately promote democracy. The term "democracy program" is usually used in a narrower sense to describe programs more directly aimed at establishing or strengthening democratic processes and institutions or at speeding the development of democracy.

In January 1994 the General Accounting Office criticized that "there is no central U.S. government-wide democracy program or overall statement of U.S. policy regarding U.S. objectives and strategy for democratic development, no specific and common definition of what constitutes a democracy program..." Nevertheless, it found a "degree of commonality among the activities generally considered as contributing to the development of democratic processes" and pointed to a State Department guide for identifying democracy promotion activities. The guide included the following: civic education; civic-military relations; conflict prevention and resolution; ethnic, racial, and religious diversity programs; human rights education and training; information

¹Congressional Record, January 25, 1994, p. H 32.

²For text and discussion of the enlargement theme, see *The Clinton Foreign Policy: Emerging Themes*, by Mark Lowenthal. CRS Report 93-951 S, November 1, 1993.

exchange; legislative, media, political party, public administration, and trade union development; rule of law; and support for elections and election reform.³

When President Clinton presented the FY 1995 budget on February 7, 1994, the International Affairs budget was organized in an entirely new way, one that emphasized the elevation of democracy building in U.S. foreign policy. Instead of traditional groupings and accounts, programs and funds were listed under six categories representing major foreign policy objectives:

- Promoting U.S. Prosperity Through Trade, Investment, and Employment;
- Building Democracy;
- Promoting Sustainable Development;
- Promoting Peace;
- Providing Humanitarian Assistance; and
- Advancing Diplomacy.

The Administration grouped programs and accounts under the category which represented the major objective, although recognizing that they often could be classified under more than one objective.⁴

Despite the effort to group together in the budget programs having the primary objective of promoting democracy, the democracy programs may be difficult for Congress to oversee in an integrated fashion. Some are programs administered by USAID and handled in the Foreign Operations Appropriations bill; others are in the U.S.I.A. budget which is contained in the Department of State and Related Agencies Appropriations bill. At the authorization level, both aid and information programs are handled by the House Foreign Affairs and Senate Foreign Relations Committees, but traditionally the authorizations have been handled in separate bills. Except for funds for the National Endowment for Democracy, previous budgets have not contained categories, accounts, or programs labelled promotion of democracy. Most programs now in the Building Democracy category were formerly in the budget under some other category .

This report describes the budget request for democracy programs and the relevant policy statement or authorization in the proposed Peace, Prosperity, and Democracy Act (PPDA), and provides charts showing the planned distribution of the funds for FY 1995. It indicates the objectives of various programs and some of the issues raised.

³ U.S. General Accounting Office. Promoting Democracy; Foreign Affairs and Defense Agencies Funds and Activities--1991 to 1993. GAO/NSIAD-94-83, January 1994, p. 1, 10.

⁴ For further discussion see Foreign Policy Budget Request for FY 1995: a New Framework for the post-Cold War World, by Larry Q. Nowels. CRS Report 94-164 F, February 23, 1994. 6 p.

DEMOCRACY BUILDING IN FOREIGN OPERATIONS APPROPRIATIONS

The Administration put four accounts into the Building Democracy category: (1) aid to the new independent states of the former Soviet Union; (2) aid to Central and Eastern Europe; (3) aid to states in transition to democracy; and (4) the entire U.S.I.A. budget. The first three accounts are administered by the Agency for International Development, although some of the funds are transferred to other agencies such as U.S.I.A.. The Administration further requested additional funds for promoting democracy elsewhere among the six budget categories, most prominently in the Sustainable Development category administered by USAID. (See table 1 in Appendix.)

NEW INDEPENDENT STATES OF THE FORMER SOVIET UNION (NIS)

Almost two-thirds of the funds (\$900 million) in USAID's Building Democracy category would go to the former Soviet Union. This amount constitutes most of the U.S. economic assistance to the former Soviet Union. While all these funds might be considered to promote democracy in the broadest sense, much of it is humanitarian or economic assistance, focusing on creation of free markets including privatization, trade and investment, agriculture and agribusiness, housing, health, energy, and the environment. The Administration has put it in the Building Democracy category because it considers this the overarching goal of all aid to the former Soviet Union.

Democratic institution-building is one of four current spheres of emphasis in the aid program for the NIS, along with creation of free markets, emergency humanitarian assistance, and transition to a new security regime. USAID considers \$150 million (17%) of its FY 1995 request as specifically supporting NIS democracy activities. By the end of 1993 USAID had programmed \$42 million and budgeted \$87 million for FY 1994 for democratic pluralism initiatives, funding technical assistance and training programs in five areas: (1) participatory political systems; (2) independent media; (3) rule of law; (4) local governance; and (5) strengthening civil society. In addition, USAID had budgeted \$225 million and USIA \$40.5 million in FY 1994 for various exchange programs with Russia and the New Independent States. Exchange-of-persons programs are considered a major channel for assistance and provide exposure to democratic principles and institutions.

The proposed PPDA has a policy statement about the importance of assisting in democratic and economic reforms in the independent states of the former Soviet Union, but does not specifically authorize programs. Funds are to be available in accordance with annual authorizations for aid to the former Soviet Union and administrative authorities under the new act, but the new act neither repeals, amends, nor incorporates laws currently authorizing aid to the former Soviet Union, including Chapter 11 of Part I of the Foreign Assistance

Act of 1961 or the FREEDOM Support Act (P.L. 102-511), which remain the basic authorizations.⁵

CENTRAL AND EASTERN EUROPE

Democracy building has also been given increased priority in programs for Eastern and Central Europe. In Prague on January 12, 1994, President Clinton announced the Democracy Network as an initiative to bring new resources to grass-roots and independent groups throughout the region. The program would provide \$30 million over three to five years to enlist selected American non-government organizations to cooperate with and support similar groups in Eastern and Central Europe.⁶

Under the Building Democracy category of the budget, the President requested \$380 million for aid to Central and Eastern Europe, a decrease of \$10 million from FY 1994. As in the case of aid to the former Soviet Union, most of this would be for economic or technical assistance. Nevertheless, "development and strengthening of institutions for sustainable democracy" is one of three main assistance objectives of the program, and \$47.5 million (12.5%) was requested for building democracy activities. Of the total \$1.3 billion obligated under the Support for East European Democracy (SEED) Act from FY 1990-1993, less than 7% was classified as "Strengthening Democratic Institutions." In its congressional presentation on building democracy, USAID has stated that the programs are being modified, shifting from the nuts and bolts of holding elections to a more targeted approach of helping democratic values flourish in each country.

As in the case of aid to the former Soviet Union, the proposed PPDA states policy about the importance of assisting in democratic and economic reforms in these areas formerly under communist control, but does not specifically authorize the programs. Funds are to be available in accordance with annual authorizations and appropriations, and are to be considered under the new act's administrative authorities. The new act does not incorporate, repeal, or amend the SEED Act of 1989, which remains the basic authorization.⁷

COUNTRIES IN TRANSITION

A comparatively small amount in the Building Democracy category, \$143 million, is allocated to a new account called "Countries in Transition", for promotion of democracy in countries for the most part in Asia, Africa, and Latin

⁵ For additional discussion of aid to the former Soviet Union, see U.S. and International Assistance to the Former Soviet Union, by Curt Tarnoff. CRS Issue Brief IB91050, periodically updated.

⁶ President Clinton's speech may be found in the Department of State Dispatch Supplement 1, January 1994, p. 16-17. Program outline obtained from Department of State, Bureau of European and Canadian Affairs.

⁷ P.L. 101-179, signed November 28, 1989, as amended.

America. (See charts below.) This is primarily comprised of countries, not including those in the Middle East, previously receiving funds from the Economic Support Fund. (The Middle Eastern countries were placed in the category called "Promoting Peace.") Countries receiving economic assistance from the Countries in Transition account also receive additional assistance from other accounts. For example, El Salvador, Haiti, Nicaragua, Guatemala, Peru, and Cambodia, the major recipients, also receive assistance from the Sustainable Development account.

In addition, countries receiving about half the funds for direct military training (formerly IMET), have been placed in the Countries in Transition account on grounds that promoting proper civil-military relations is a method of promoting democracy. Countries receiving the other half of previously called IMET funds were placed in the Promoting Peace Category, although often improving civil-military relations was among the stated objectives.

The \$143 million requested represents a \$19 million or 15% increase from the amounts appropriated for these purposes and areas in FY 1994 under the Economic Support Fund or Security Assistance and International Military Education & Training (IMET) Programs. (See table 2 at end for countries receiving and amounts of direct military assistance under this category.)

The Administration also requested a new basic authorization for activities in this category. Under a subchapter called Countries in Transition, the proposed PPDA authorizes the President to provide assistance for (1) emerging democracies; (2) countries emerging from civil strife that have a democratically-elected government or are making progress toward one; and (3) countries where democratic progress or institutions are threatened. Programs are to promote more open, just, and democratic societies and may include programs to facilitate:

- establishment of fully democratic political systems;
- protection of basic human rights;
- development of institutions essential in free civil societies;
- professional development of non-partisan military, security and police forces accountable to civil authorities;
- development of intercommunal conflict resolution mechanisms;
- strengthening policy making skills and accountability.

The PPDA would limit the uses for funding for military or law enforcement forces. Permitted uses would include to: (1) orient military or law enforcement agencies to their roles in a democratic order and to enhance respect for human rights and civilian control; (2) enhance law enforcement accountability to civil justice institutions; and, (3) promote demilitarization of society. Funding is to be in accordance with annual authorizations and appropriations, but Sec. 2103 (b) states that assistance may be provided Countries in Transition, "notwithstanding any other provision of law," thus allowing waivers of various restrictions elsewhere in law.

Chart 1. Countries in Transition Account

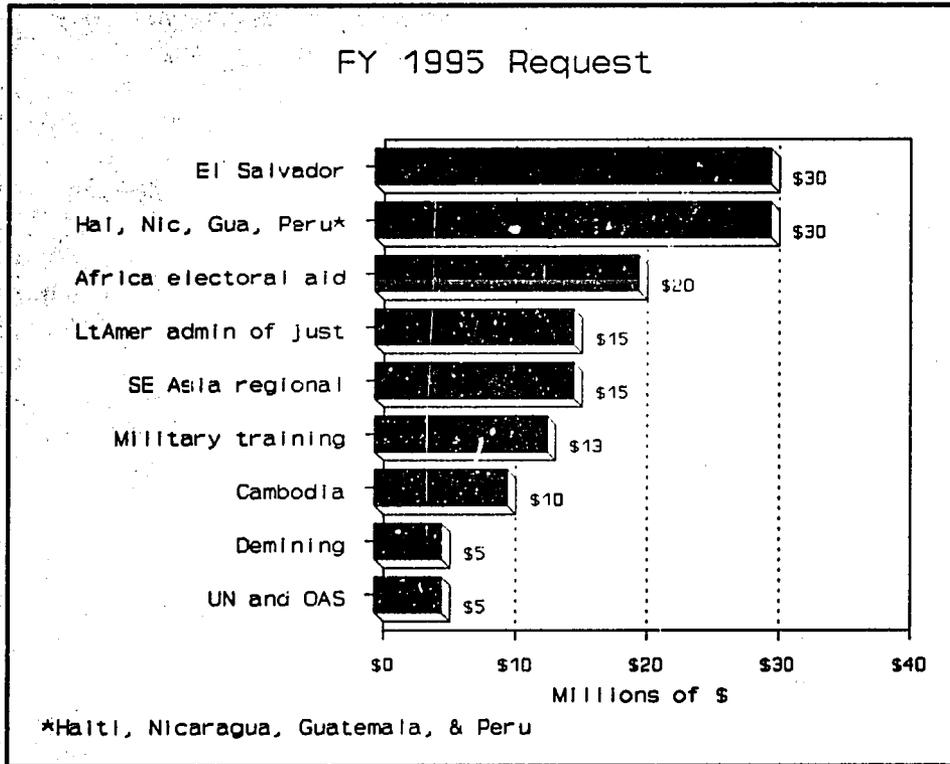
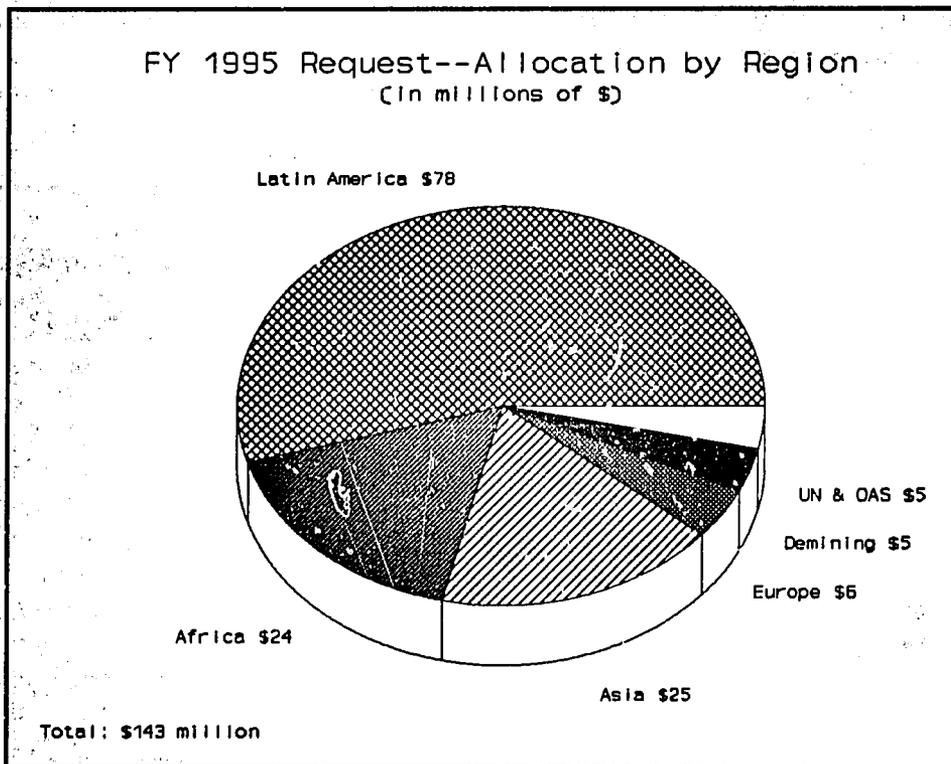


Chart 2. Countries in Transition Account



SUPPORT FOR DEMOCRATIC PARTICIPATION IN SUSTAINABLE DEVELOPMENT

In addition to funds in the "Building Democracy" category of the budget, under the "Promoting Sustainable Development" category, President Clinton requested \$179 million for "Support for Democratic Participation," a \$16 million increase over FY 1994 funds for similar purposes. USAID includes democracy as one of four areas, along with population and health, economic growth, and environment, which are fundamental to sustainable development. For some countries, such as Rwanda, Guinea-Bissau, and South Africa, building democracy is a major focus of the sustainable development strategy. (See Table 2, FY 1995 Request for Democracy Program by Country.)

USAID considers foreign assistance a natural vehicle for achieving the goal of promoting democracy. A strategic objective is "the transition to and consolidation of democratic regimes throughout the world--as an end in itself and because it is a critical element in promoting sustainable development."⁸ Its strategy has negative and positive components. The negative strategy is to deny assistance, in accordance with congressional mandate, to governments that consistently violate human rights, and to consider a government's human rights performance and willingness to permit democratic institutions and independent political groups in the allocation of resources. The positive strategy is to help create a climate conducive to sustainable development by democracy-building programs and economic and social development programs that require participation, transparency, and accountability. Its programs would support:

- constitutional mechanisms, such as constitutional conventions;
- democratically elected legislatures;
- legal systems;
- local government entities;
- credible and effective elections;
- local, national, regional and international organizations that protect human rights;
- trade unions, professional associations, women's groups, educational entities, and a wide range of indigenous NGOs;
- political parties and other national mechanisms of political expression;
- independent media outlets;
- improved civil-military relations;
- institutions that increase government responsiveness and accountability;
- and
- educational efforts for children and adults.

⁸ U.S. Agency for International Development. *Strategies for Sustainable Development*, January 1994. p. 21-29.

The proposed Peace, Prosperity and Democracy Act (PPDA) states that Supporting Democratic Participation programs are to promote:

- respect for human rights and the rule of law;
- an expanding role for nongovernmental and citizens organizations;
- citizen access to public information;
- the ability of all citizens to choose freely their government and to hold that government accountable;
- efforts which advance legal, social, and economic equality for women, workers, and minorities;
- principles of tolerance among and within religious and ethnic groups.

The proposed PPDA authorizes the President to carry out programs in support of these stated objectives, with funds to be available in accordance with annual authorizations and appropriations.⁹

TRANSITION INITIATIVE UNDER HUMANITARIAN ASSISTANCE

Under the budget category Humanitarian Assistance, USAID also requested \$20 million for a new Transition Initiative in FY 1995, as part of a \$170 million fund for disaster assistance. The Transition Initiative would aim at providing a rapid, short-term response to aid the process of institutional and political recovery after a natural or man-made disaster. Examples given by USAID of activities in this category would be demobilization and reintegration of soldiers, electoral preparations, and re-establishment of the rule of law. USAID's Democracy Initiative of 1990 proposed a similar rapid-response capability.¹⁰

DEMOCRACY BUILDING IN PROMOTING PEACE CATEGORY

The Promoting Peace category of the budget does not indicate specific amounts of funds for the promotion of democracy. Nevertheless, the regional peace and security programs funded in this category, particularly those in the Middle East, Africa, Asia, and Latin America, frequently have democracy promotion among their objectives. The strategy for economic programs for Egypt, for example, emphasizes support to Egypt's legislature, judiciary, and community organizations to enable those institutions to become more responsible participants in governance. The defense training programs to countries listed under the Promoting Peace category, such as the Philippines or Uruguay, appear to be very similar to those listed under the Building Democracy category, frequently including respect for democracy, constitutional processes, or human rights among the objectives.

⁹ Section 1105. H.R. 3765, introduced (by request) by Representative Hamilton, February 2, 1994. S. 1856, introduced (by request) by Senator Pell at request of Administration, Feb. 22.

¹⁰ U.S. Agency for International Development. The Democracy Initiative, December 1990, p. 4.

DEMOCRACY BUILDING IN STATE, JUSTICE, AND COMMERCE APPROPRIATION

Roughly half of the funds in the budget's Building Democracy category, \$1.4 billion, comprised the budget of the United States Information Agency (U.S.I.A.). In its budget presentation for FY 1995, U.S.I.A. has elevated promotion of democracy from an implicit long-run goal to an explicit major objective. Its budget overview stated, "We must work to enlarge the community of market-based democratic nations, the strategy articulated by National Security Council advisor Anthony Lake."¹¹

The U.S.I.A. budget requested an increase of \$75 million for a total of \$637 million for broadcast operations, which are being reorganized and consolidated.¹² It would include \$10 million to establish a new Radio Free Asia to expand targeted programming to non-democratic countries in Asia. The Administration also requested a \$10 million increase for the National Endowment for Democracy for a total of \$45 million for FY 1994.¹³ The enhancement would address (1) non-democratic societies in Africa, Latin America, the Islamic World, and East Asia, providing additional "venture capital" to help nascent democratic movements overcome obstacles; and (2) transitional and emerging democracies, supporting independent organizations working to broaden political participation. Funds would be reduced for the Educational and Cultural Exchange Programs and the East-West Center.¹⁴

The proposed PPDA provides a brief policy statement but does not incorporate, amend, or repeal existing legislation authorizing U.S.I.A. programs. It states that fostering democratic societies abroad is crucial to future U.S. security and information and exchange programs are central to encouraging democratic values and institutions around the world. It states that U.S.I.A. programs should support and promote democratization through the communication of knowledge and exchange of people and ideas through in-country personal contacts, exchanges, training programs, and informational activities in such areas as:

- role of the citizen and government in democracy and civil society;
- principles of a free market economy;
- respect for the rule of law;

¹¹ United States Information Agency. Program and Budget in Brief, Fiscal Year 1995.

¹² For further discussion, see International Broadcasting: Consolidation of U.S. Radio Services, by Kennon Nakamura and Susan Epstein. CRS Report 94-29 F, January 11, 1994.

¹³ For additional discussion, see National Endowment for Democracy, by Ellen C. Collier. CRS Issue Brief 90093, updated regularly.

¹⁴ As in 1993, the Administration requested no further funding for the North-South Center affiliated with the University of Miami, for which \$8.7 million had been appropriated for FY 1994 but \$1 million had been rescinded. Conferees on the 1994 appropriations bill had agreed to no further funding after FY 1994 without an authorization.

- free flow of information;
- free and fair elections;
- responsible and representative local government; and
- democratic reform of education.

ASIA FOUNDATION

One program in the Department of State Related Appropriations which seeks to promote democracy is the Asia Foundation, a private nonprofit corporation. Although included under the Advancing Diplomacy category rather than the Building Democracy, the Foundation's programs are similar to those of NED, U.S.I.A., and the democracy programs of USAID. It seeks to foster individual freedom and democracy in Asia, strengthen Asian institutions and private organizations, and develop leaders in the public and private sector. The budget request for FY 1995 is \$16,068,000, a slight increase (\$68,000) over its FY 1994 appropriation.

ISSUES

APPROPRIATENESS OF PROMOTING DEMOCRACY IN OTHER COUNTRIES

The Clinton Administration argues, as had the Bush and Reagan Administrations, that the advance of democracy and human rights is a strategic and moral goal because democracies are more stable, more reliable partners, more likely to observe treaties, and less likely to start war. Threats against fragile democracies, in this view, require a strong program to strengthen democratic institutions and civil society. While most observers agree with the objective of worldwide democracy, some question the appropriateness of government-promoted efforts to change the institutions, mechanisms, and internal processes of other governments, contending that non-interference in domestic affairs has been a tenet of diplomacy and international law. Others question giving high priority to promoting democracy when U.S. budget resources are declining and recipient nations have pressing economic needs. In their view private individuals, companies, and media are adequately spreading U.S. concepts of democracy and free enterprise abroad.

EFFECTIVENESS

If deemed appropriate, is it possible to change cultures, societies, and governments by deliberate efforts from abroad? Are democracy programs effective? Proponents of democracy programs point to Central and Eastern Europe, the new independent states of the former Soviet Union, and an upsurge of democratic governments in Africa, Asia, and Latin America as evidence that active programs can help promote democracy. Skeptics point to countries in which nascent democratic governments have been overthrown or chaos has occurred; they contend that democracy must grow from within and depends on

fundamental changes such as educational opportunity and greater economic equity.

Holders of both views agree on the difficulty of measuring progress toward democracy and the effectiveness of democracy programs. The Clinton Administration plans to review individual programs to determine whether they have met their objectives, and to assess results in a particular area, such as electoral assistance, on a cross-regional basis to identify effective programs and mechanisms. USAID plans to develop performance criteria for measuring progress in countries, such as, "Are basic laws relating to human rights being enforced?"

CRITERIA FOR GIVING DEMOCRACY ASSISTANCE

Another issue is which countries to assist in strengthening their democracy. What are the criteria for determining which countries are to receive the most assistance, which countries are democratic enough that they require no assistance in this field, and which countries are so undemocratic that they should not receive any assistance? Why does the Administration request that a few countries, as Table 2 shows, receive a large part of their development assistance in democracy programs, while others receive less than 5%? Is it appropriate for direct military training to be the only democracy assistance given to some countries, such as Chad, or the only assistance at all to a few, such as Suriname?

Some criteria have been developed. John Shattuck, Assistant Secretary of State for Human Rights and Humanitarian Affairs, listed four criteria to be kept in mind in selecting countries to be the subject of democracy assistance: (1) the general strategic importance of a country; (2) the prospects for democratization; (3) the degree of U.S. leverage and access; and (4) the potential of a country having a demonstration effect on a region.¹⁶ Operating principles for aid to the former Soviet Union include that nations or regions receive aid in relation to their progress toward democratic and economic reform: "Aid follows reform."¹⁶ USAID considers a government's human rights performance, including its willingness to permit the emergence and functioning of democratic institutions and independent political groups, in allocating development resources. Administrator Brian Atwood has said that it is impossible for USAID to do its job if a nation is not allowing people to participate in the development process, and for some of the 21 countries USAID has moved out of, such as Zaire, this was a major reason.¹⁷

¹⁶ U.S. Congress. Committee on Foreign Affairs. Administration of Justice Programs. Hearing, September 14, 1993. Wash., GPO, 1994. p.29.

¹⁶ U.S. Assistance and Related Programs for the New Independent States of the Former Soviet Union. 1993 Annual Report, p. 3, 6, 8.

¹⁷ Hearing of Foreign Operations Subcommittee of House Appropriations Committee, March 8, 1994. Reuters Transcript.

OVERLAPPING AND COORDINATION

As the number of democracy programs has increased, the problem of overlapping efforts by different U.S. agencies and Federally funded programs and the need for coordination has intensified. U.S.I.A., USAID, and NED often carry out similar programs. While the new budget presentation contributes to coordination at the legislative level by grouping together many of the programs in which democracy promotion is the major goal, it does not include all democracy programs, which are still spread through different agencies and programs. In addition, international organizations and institutions are also undertaking democracy projects.

The problem of coordination has been recognized by both branches. President Clinton appointed Morton Halperin an Assistant to the President for Democracy Programs. In passage of the Foreign Relations Authorization Act on February 2, 1994, the Senate called for a commission to study and report on the effectiveness and organization of democracy programs, and to identify overlapping programs and recommend a lead agency.

ACCOUNTABILITY

Funds in the promotion of democracy area are often difficult to track because they are appropriated to one agency, administered by another, and often actually spent by another group. For example, funds are appropriated to U.S.I.A. for the National Endowment for Democracy, which then may give grants to one of its core institutes, such as the National Democratic Institute, which then may give grants to other private groups that conduct a projects. U.S.I.A. and USAID also provide additional grants to NED and other institutes and private groups. In addition, the new budget makes comparisons with expenditures in previous years difficult because of the different system of accounts in past years. The result is that Members of Congress and others interested in oversight find it difficult to know how much the United States is spending on what so that they can assess the effects and allocate funds accordingly.

DEGREE OF CHANGE

The question can be raised whether the FY 1995 budget and the PPDA makes a significant change. Judging only from the Building Democracy category, the change does not appear significant, but more of a rearrangement of the aid to the former Soviet Union, Eastern and Central Europe, and the Economic Support Fund. When the Sustainable Development category is included, programs for promoting democracy receive a substantial increase in emphasis and funds. This is not a change in direction from the Bush Administration, however, but more a carrying out of the Democracy Initiative which A.I.D. launched in December 1990. For example, the new Transition Initiative would provide the "rapid-response capability" to meet unanticipated needs, proposed in 1990. Similarly, U.S.I.A. programs continue a trend to adapt to the post-Cold War world by assisting the transition from communist rule in

the former Soviet Union and Eastern and Central Europe to more democratic forms of government. U.S. policy appears to have clearly embraced, through action as well as words, the promotion of democracy throughout the world as a major goal, although doubts exist about the wisdom and feasibility of such an effort.

**TABLE 1. Promotion of Democracy in
International Affairs Budget**
(millions of dollars)

	FY1994 Enacted	FY1995 Request	FY1994 +/- FY1995 (\$)	FY1994 +/- FY1995 (%)
BUILDING DEMOCRACY CATEGORY				
<u>Foreign Operations Appropriation</u>				
Former Soviet Union	\$891 *	\$900	\$9	1.0%
Central and East Europe	\$390	\$380	\$-10	-2.6%
Countries in Transition	\$124	\$143	\$19	15.3%
<i>(Of which:</i>				
<i>Economic assistance</i>	\$111	\$120		
<i>Direct civil-military relations training**</i>	\$ 11	\$ 13		
<i>Demining</i>		\$ 5		
<i>UN-OAS programs</i>	\$ 3	\$ 5		
<u>State, Justice, Commerce App.</u>				
USIA Information & Exchange	\$1,353	\$1,430	\$77	5.7%
<i>(Of which:</i>				
<i>Salaries & expenses</i>	\$488	\$497	\$9	1.8%
<i>Ed & cultural exchanges</i>	\$228	\$222	\$-6	-2.6%
<i>Broadcasting</i>	\$563	\$637	\$74	13.1%
<i>Nat'l Endowment for Democracy</i>	\$35	\$45	\$10	28.6%
<i>East-West Center</i>	\$26	\$25	\$-1	-4.0%
<i>North/South Center</i>	\$ 9	\$ 0	\$-9	--)
<i>Other</i>	\$5	\$5	--	--)
Total, Building Democracy Category	\$2,758	\$2,853	\$95	3.4%
DEMOCRACY PROGRAMS IN OTHER BUDGET CATEGORIES				
<u>Foreign Operations Appropriations</u>				
SUSTAINABLE DEVELOPMENT				
USAID Support for Democratic Participation	\$ 163	\$179		
<i>(Of which</i>				
<i>USAID administered</i>	<i>n.a.</i>	\$168		
<i>State Dept. administered</i>	<i>n.a.</i>	\$ 11		
HUMANITARIAN ASSISTANCE				
Transition Initiative		\$ 20		
PROMOTING PEACE				
Supporting democratic participation in Egypt	\$ 7	\$ 7		
Direct military training in various countries				
<u>State, Justice, and Commerce Appropriations</u>				
ASIA FOUNDATION	\$ 16	\$ 16		

* Excludes \$919 million transferred from DOD funds.

** Administered by Defense Department

TABLE 2.
FY 1995 Request for Democracy Programs By Country
(\$ in thousands)

Region Country	Building Democracy			Sustainable Development (S.D.)		
	NIS, SEED	Countries in Transition		S. D. Account	Democracy Share	% of S.D. Acct.
		Economic Assistance	Direct Training			
Africa	--	20,000	3,805	863,661	94,000	11.52
Angola	--	--	--	5,000	800	16.00
Benin	--	--	100	16,514	2,700	16.35
Botswana	--	--	100	3,581	163	04.55
Burkina	--	--	--	4,422	275	06.22
Burundi	--	--	100	15,672	1,704	10.87
Cameroon	--	--	--	2,417	45	01.86
Cape Verde	--	--	75	3,749	65	01.73
Central African Republic	--	--	100	3,942	55	01.40
Chad	--	--	175	2,997	--	--
Comoros	--	--	--	833	--	--
Congo	--	--	150	2,320	99	04.27
Cote d'Ivoire	--	--	150	8,732	--	--
Djibouti	--	--	150	330	--	--
Equatorial Guinea	--	--	--	264	--	--
Eritrea	--	--	200	7,105	655	09.22
Ethiopia	--	--	250	37,680	3,625	10.40
Gabon	--	--	--	316	--	--
Gambia	--	--	100	9,025	1,021	11.31
Ghana	--	--	200	39,030	2,210	05.66
Guinea	--	--	150	24,727	1,149	04.65
Guinea-Bissau	--	--	75	6,301	1,715	27.22
Kenya	--	--	200	30,599	1,093	03.57
Lesotho	--	--	50	5,040	69	01.37
Madagascar	--	--	--	31,042	940	03.03
Malawi	--	--	125	40,166	90	00.22
Mali	--	--	130	38,241	2,288	05.93
Mauritania	--	--	--	1,215	--	--
Mauritius	--	--	--	247	--	--
Mozambique	--	--	125	42,125	5,750	13.65

CRS-16

Region Country	Building Democracy			Sustainable Development (S.D.)		
	NIS, SEED	Countries in Transition		S. D. Account	Democracy Share	% of S.D. Acct.
		Economic Assistance	Direct Training			
Namibia	--	--	--	12,934	205	01.58
Niger	--	--	200	20,472	130	00.63
Nigeria	--	--	--	30,997	199	00.64
Rwanda	--	--	150	19,264	8,169	42.41
Sao Tome	--	--	--	615	--	--
Senegal	--	--	100	23,718	1,695	07.15
Seychelles	--	--	--	218	--	--
Sierra Leone	--	--	--	943	--	--
Somalia	--	--	--	12,000	1,140	09.50
South Africa	--	--	250	82,203	20,537	24.98
Swaziland	--	--	50	7,030	158	02.25
Tanzania	--	--	100	34,048	2,306	06.77
Togo	--	--	--	2,099	--	--
Uganda	--	--	150	37,220	905	02.43
Zambia	--	--	100	42,849	500	01.17
Zimbabwe	--	--	--	29,806	110	00.37
S. Africa Regional/SADCC	--	--	--	4,872	--	--
Africa Regional	--	20,000	--	71,155	31,435	44.18
AEPRP	--	--	--	30,000	--	--
REDSO/E	--	--	--	9,870	--	--
Africa Regional	--	--	--	7,718	--	--
Asia & Near East	--	24,546	675	401,623	22,046	05.49
Algeria	--	--	--	--	--	--
Bahrein	--	--	--	--	--	--
Bangladesh	--	--	--	55,624	719	01.29
Cambodia	--	10,000	200	17,394	--	--
China	--	--	--	--	--	--
Cook Islands	--	--	--	--	--	--
Egypt	--	--	--	4,029	--	--
Fiji	--	--	--	--	--	--
India	--	--	--	66,537	--	--
Indonesia	--	--	--	62,817	5,754	09.16
Israel	--	--	--	--	--	--
Jordan	--	--	--	7,495	--	--

CRS-17

Region Country	Building Democracy			Sustainable Development (S.D.)		
	NIS, SEED	Countries in Transition		S. D. Account	Democracy Share	% of S.D. Acct.
		Economic Assistance	Direct Training			
Kiribati	--	--	--	--	--	--
Korea	--	--	--	--	--	--
Laos	--	--	--	--	--	--
Lebanon	--	--	--	4,795	--	--
Malaysia	--	--	--	--	--	--
Maldives	--	--	50	--	--	--
Marshall Islands	--	--	--	--	--	--
Micronesia	--	--	--	--	--	--
Mongolia	--	--	100	9,961	314	03.15
Morocco	--	--	--	22,139	1,900	08.58
Nepal	--	--	100	27,702	2,434	08.79
Oman	--	--	--	945	--	--
Pakistan	--	--	--	--	--	--
Papua New Guinea	--	--	125	--	--	--
Philippines	--	--	--	61,652	7,334	11.90
Singapore	--	--	--	--	--	--
Solomon Islands	--	--	--	--	--	--
South Pacific	--	--	--	--	--	--
Sri Lanka	--	--	100	14,723	2,279	15.48
Thailand	--	--	--	--	--	--
Tonga	--	--	--	--	--	--
Tunisia	--	--	--	765	--	--
Tuvalu	--	--	--	--	--	--
Vanuatu	--	--	--	--	--	--
West Bank/Gaza	--	--	--	1,880	--	--
Western Samoa	--	--	--	--	--	--
Yemen	--	--	--	10,575	940	08.89
ASEAN	--	--	--	6,055	--	--
Asia Regional	--	--	--	6,388	372	05.82
East Asia Regional	--	14,546	--	14,142	--	--
Near East Regional	--	--	--	6,005	--	--

Region Country	Building Democracy		Sustainable Development (S.D.)			
	NIS, SEED	Countries in Transition		S. D. Account	Democracy Share	% of S.D. Acct.
		Economic Assistance	Direct Training			
Europe & NIS	1,280,000	--	6,075	5,500	--	--
Albania	--	--	200	--	--	--
Armenia	--	--	--	--	--	--
Baltic States	--	--	400	--	--	--
Belarus	--	--	100	--	--	--
Bulgaria	--	--	500	--	--	--
Cyprus	--	--	--	--	--	--
Czech Republic	--	--	500	--	--	--
Estonia	--	--	200	--	--	--
Georgia	--	--	75	--	--	--
Greece	--	--	--	--	--	--
Hungary	--	--	700	--	--	--
Ireland	--	--	--	--	--	--
Kazakhstan	--	--	100	--	--	--
Kirghizstan	--	--	50	--	--	--
Macedonia	--	--	125	--	--	--
Malta	--	--	--	--	--	--
Moldovia	--	--	50	--	--	--
Poland	--	--	700	--	--	--
Romania	--	--	500	--	--	--
Russia	--	--	700	--	--	--
Slovak Republic	--	--	350	--	--	--
Slovenia	--	--	125	--	--	--
Turkey	--	--	--	5,500	--	--
Turkmenistan	--	--	50	--	--	--
Ukraine	--	--	600	--	--	--
Uzbekistan	--	--	50	--	--	--
Eastern Europe Regional	380,000^a	--	--	--	--	--
NIS Regional	900,000^b	--	--	--	--	--
Western Europe	--	--	--	--	--	--

Region Country	Building Democracy			Sustainable Development (S.D.)		
	NIS, SEED	Countries in Transition		S. D. Account	Democracy Share	% of S.D. Acct.
		Economic Assistance	Direct Training			
Latin America & Caribbean	--	75,000	2,590	382,350	44,063	11.52
Argentina	--	--	--	--	--	--
The Bahamas	--	--	--	--	--	--
Belize	--	--	40	2,688	277	10.31
Bolivia	--	--	350	35,777	1,871	05.23
Brazil	--	--	--	11,685	--	--
Chile	--	--	--	3,598	1,663	46.22
Colombia	--	--	600	5,496	261	04.75
Costa Rica	--	--	--	6,329	2,702	42.69
Dominican Republic	--	--	--	15,582	2,638	16.93
Ecuador	--	--	--	13,970	1,698	12.15
El Salvador	--	30,000	400	37,822	7,103	18.78
Guatemala	--	2,000	200	23,833	1,205	05.06
Guyana	--	--	75	3,157	500	15.84
Haiti	--	15,000	--	44,877	3,019	67.27
Honduras	--	--	325	23,829	2,328	--
Jamaica	--	--	--	14,266	764	05.36
Mexico	--	--	--	19,510	--	--
Nicaragua	--	12,000	100	33,403	6,320	18.92
Panama	--	--	--	6,707	2,726	40.64
Paraguay	--	--	125	3,886	883	22.72
Peru	--	1,500	325	37,475	210	00.56
Suriname	--	--	50	--	--	--
Uruguay	--	--	--	--	--	--
Venezuela	--	--	--	--	--	--
Caribbean Regional	--	--	--	5,354	437	--
PACAMS	--	--	--	--	--	--
ROCAP	--	--	--	10,399	1,060	10.19
LAC Regional	--	14,500	--	22,707	6,835	30.01
All Regions	1,280,000	119,546	13,145	1,653,134	160,546	01.00

Source: AID Congressional Presentation Summary Table, FY 1995, p. 29-33.

^a Of this amount, \$150 million would be for programs to promote democracy.

^b Of this, \$47.5 million would be for programs to promote democracy.