



NDI Reports

NO. 1, 2002

ASIA

Asian Political Parties Pursue Anti-Corruption Reform

Public corruption erodes confidence in the democratic process, and nowhere has that been truer than in Asia. During the past few years, corruption scandals have shaken governments at the highest levels, helping to topple presidents Wahid in Indonesia and Joseph Estrada in the Philippines. Throughout Asia, entrenched corruption has led to public disillusionment in many institutions, but political parties — often viewed as enmeshed in deeply flawed campaign finance systems — have become a target of criticism.

Parties have largely been left out of the growing discourse on controlling the influence of money in politics. Yet it will be political parties, acting through the legislative process, that the citizenry must ultimately rely on to design anti-corruption measures and oversee their enforcement.

If parties are to play an effective role in combating corruption, there must be greater public confidence in their ability to act as effective agents for change. For this reason, NDI and the Manila-based Council of Asian Liberals and Democrats (CALD) recently launched a program to help political parties strengthen their internal reform efforts. Over the past year, NDI and CALD conducted research in eight Asian countries to identify the major obstacles that parties face in their efforts to increase internal democracy, transparency and accountability, and to examine the approaches they have developed to meet those challenges. The findings of the research project were discussed at a conference in Bangkok in January for leaders from 28 political parties in the region.

NDI's and CALD's research was conducted in Cambodia, Indonesia, Malaysia, Nepal, the Philippines, South Korea, Taiwan and Thailand. The study of 33 parties explored the political and legal environments in which they operate; its major focus, however, was on internal party structures and activities. In particular, NDI and CALD examined the parties' procedures for selecting candidates and leaders; rules for raising and spending funds; processes for formulating policy; and methods for enforcing their own rules. The study's major findings include:

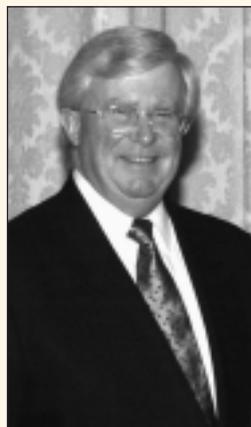
- **More laws do not necessarily mean greater public confidence in parties.** Many of the countries included in the study have recently adopted laws dealing with party and campaign financing, and establishing anti-corruption commissions. South Korea and Thailand have

extensive legal frameworks, for example, but by all accounts, money continues to dominate political competition. In Taiwan, on the other hand, while there are few laws regulating parties, there are greater efforts by parties to meet public expectations of good governance;

- **Political competition enhances anti-corruption and political reform efforts.** Party leaders within Taiwan's Kuomintang and Indonesia's Golkar — political parties that lost power after decades of unchallenged dominance — have recognized that their political survival depends on their ability to reform. As levels of political contestation increase, party leaders in several countries have become more sensitive to their public image, especially on anti-corruption issues;

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IN MEMORIAM



As this newsletter went to print, NDI was deeply saddened to learn of the death of Peter Biehl on March 31. Last November, Peter and his wife Linda were honored with an NDI Averell Harriman Democracy Award for their work with the Amy Biehl Foundation in South Africa, named for their daughter who was killed while working for reconciliation there.

NDI's Board of Directors, staff and friends extend our sympathies to Linda and the Biehl family. We mourn Peter's passing, and will always honor his memory and his commitment to peace, reconciliation and democracy.

For more about the NDI Democracy Award ceremony, see page 4.

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- *Parties have undertaken internal reforms leading to more democratic processes for selecting candidates and leaders, but policy formulation remains largely in the hands of the parties' national leadership.*

The NDI-CALD study showed that all eight of the countries have campaign finance laws and all require some disclosure of sources of funding. Spending limits were favored in all but one of the countries, but only three placed limits on contributions. Seven of the countries had anti-corruption commissions.

Almost all of the parties in the study elected their national leadership and most permitted local chapters to participate in the selection of candidates. The vast majority disclosed party finances to their members, although only about a half of the parties revealed the names of party contributors to the public. Approximately a third of the parties conducted annual audits. All but one of the parties had established internal disciplinary mechanisms to enforce party rules. Interestingly, only the oldest ruling parties were those with business interests. These were the Kuomintang in Taiwan, UMNO and Gerakan in Malaysia and the Cambodian People's Party in Cambodia. The Kuomintang and UMNO are considered to be among the wealthiest parties in the world.

The study found that several parties have adopted innovative measures that could be of interest to other reform-minded parties. For instance:

- The Democratic Progressive Party (DPP) in Taiwan has set up a hotline for party members to blow the whistle on corrupt party practices and has instituted term limits for party officials;
- Malaysia's Gerakan party allows candidates for party leadership positions to appoint monitors during the party's internal elections;
- Nepal's major political parties all have codes of conduct requiring party



Workshop discussion at the NDI/CALD conference.

- officials to declare their assets and sources of income;
- Parti Islam SeMalaysia (PAS) appoints mentors who provide ethical guidance to party members;
- The Chart Patna Party in Thailand allows its branch offices to select the party's national candidates to ensure greater popular support.

The parties attending the Bangkok conference represented some of the oldest in Asia, such as the Kuomintang, as well as some of the newest — almost half of the 28 parties attending were established since 1990. They also represented diversity in their economic conditions and ideologies. Despite these differences, few disagreements on matters of principle emerged. Party leaders, however, sometimes had divergent perspectives on the effects of particular reforms.

While almost all of those attending agreed with the principle that contributions to parties and campaigns should be disclosed, some opposition parties feared that this could result in retaliation against them and their contributors. In addition, some party leaders from poorer countries were more concerned about their ability to raise funds from any source than they were about limits on campaign contributions or spending. There was also a tension between the need to decentralize party decision-making and the need to maintain ideological coherency. This was of special concern to the parties, such as

those in Indonesia, that are facing factional strife. Some party leaders also noted that being the first to adopt reforms could put a party, at least initially, on an uneven playing field.

There was widespread agreement however, on many issues, including enhancing accountability by installing modern financial management systems and encouraging responsiveness to the electorate through public opinion polling and greater grassroots participation in the candidate selection process. There was also a consensus that parties must move from the informal, patronage-based organizations of the past to become more professional, rule-based institutions.

The conference has already produced one direct result. The Laban ng Demokratikong Party (LDP) has recruited the other major parties in the Philippines to support the adoption of a party law and new campaign finance regulations.

Over the next year, NDI and CALD will continue to work with the participants and other Asian party leaders in developing party-specific reform agendas and networking opportunities. CALD will serve as a regional resource for parties, providing information and materials on anti-corruption legislation, activities and events. NDI and CALD plan to publish the findings of their study later this year.

For the full conference proceedings, see the NDI website at www.ndi.org.

Afghanistan – what next?

A three-person NDI team travelled to Afghanistan and Pakistan in December and January, meeting with a cross section of Afghans and Afghan refugees, including civil society activists and the leaders of existing and emerging political parties. Virtually everyone with whom the team met agreed that: security is the most important precondition to development; employment and education are critical to the country's future; and that reconstruction efforts will not succeed without institutions that will form the democratic underpinnings of the state.

Warlords, with their armed militias, are seen as the main source of continued

“...most Afghans believe that the international community should remain in Afghanistan and support the country in its efforts to restore peace, reconstruct its institutions and regain its sovereignty.”

conflict. They control most transportation routes, demand portions of aid and assistance from vulnerable nongovernmental organizations, and use force to control territory throughout the country.

Disarming them and curbing their power is an essential precondition for the emergence of alternate sources of political authority.

NDI opened an office in Kabul in late February to provide support to emerging civic and political groups. The Institute has begun working with the commission charged with organizing the *loya jirga*, the constituent assembly which will convene in June to start the process of developing a new constitution for Afghanistan. In addition, NDI plans to sponsor public opinion surveys that can help the country's new leaders understand the attitudes of the citizenry, and to support civil society activists who are seeking to participate in the process of developing the country's new constitution. Work with emerging political formations will also be needed to provide a counterbalance to the power of the warlords.

ZIMBABWE

Failed Elections in Zimbabwe

The March presidential poll in Zimbabwe was arguably one of the world's most controversial elections, and, by the accounts of observers, one of the most flawed. Many international observers and civil society groups in Zimbabwe have called into question the legitimacy of the process that led to the victory of incumbent president Robert Mugabe of ZANU-PF over challenger Morgan Tsvangirai of the Movement for Democratic Change (MDC), citing the prevalence of state-sponsored violence, electoral manipulation and voter disenfranchisement that marked the pre-election environment. At the same time, other observer groups endorsed the process and President Mugabe's re-election for another six year term.

As was the case in the 2000 parliamentary elections, Zimbabwe's political environment deteriorated dramatically in the months preceding the presidential contest. There was a sharp

escalation in violence directed mainly at the opposition party, the implementation of draconian election laws, a flawed voters roll, and restrictions placed on the ability of domestic and international observers to monitor the process.

Among the international observers critical of the outcome was the 70-member delegation of the Southern African Development Community Parliamentary Forum (SADC-PF) — an organization with extensive experience monitoring elections. The delegation included members of parliament and parliamentary staff from 12 countries in southern Africa. After observing the pre-election period and election-day activities in all eight provinces in the country, the delegation found that the “climate of insecurity obtaining in Zimbabwe since the 2000 parliamentary election was such that the electoral process could not be said to adequately comply with the Norms and Standards for Elections in the SADC



Zimbabwe Election Support Network poster encouraging citizens to vote.

Region.” These standards, which were developed by SADC-PF in the course of its election observation efforts in Mozambique, Mauritius, Tanzania, Zambia and Zimbabwe, were adopted in

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Kofi Annan, Peter and Linda Biehl Honored with NDI Democracy Award

United Nations Secretary-General Kofi Annan and Peter and Linda Biehl of the Amy Biehl Foundation in South Africa, received NDI's 14th Annual W. Averell Harriman Democracy Award in Washington, D.C. on November 28. Annan received his award from NDI Chairman Madeleine Albright two weeks before he and the United Nations were presented with the Nobel Peace Prize in Oslo, Norway. Peter and Linda Biehl were honored for their work with the Amy Biehl Foundation in South Africa, named for their daughter, a former NDI staff member who was killed in South Africa while working for reconciliation there.



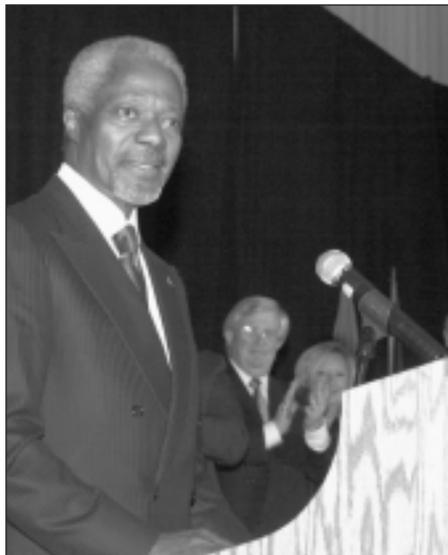
"You are a true humanist, a visionary, and perhaps most important, a doer," said NDI Chairman Madeleine Albright in presenting the Harriman Award to Secretary-General Kofi Annan.

"We must seek to expand the frontiers of liberty and to remain vigilant in our support of democracy in countries that have recently found freedom. I commend [NDI] for helping to achieve these goals and for working with counterparts around the world to foster respect for human rights."

— President George W. Bush in a message to the Democracy Award event

Senate Majority Leader Tom Daschle and House Minority Leader Richard Gephardt served as Congressional co-chairs of the Award dinner, which was attended by 800 guests including members of Congress, Administration officials, members of the diplomatic corps, and representatives of the business, labor and foreign policy communities.

Established to honor the late diplomat and politician Averell Harriman, NDI's Award recognizes individuals who exemplify the Institute's commitment to democracy and human rights.



"Democracy's heroes can be found among all faiths and creeds. What they need to succeed is our help, and the clear message from the community of democracies that its doors are open to any people able to escape the cycle of tyranny, misrule and conflict," said Kofi Annan in accepting the Democracy Award.



"Amy [Biehl] believed in democracy as a way of life. She was a person who believed education was key to development of individual potential, and a democratic society allowed that potential to flourish in a collective environment," said Linda Biehl, pictured here with her husband Peter (left) and NDI Board member Brian Atwood, who presented the Award.

Ukrainian Civic Group Sets New Standards for Activism

Ukraine's parliamentary and local elections are scheduled for March 31. The next newsletter will contain an update on those elections.

In late 1993, as the former Soviet republic of Ukraine prepared for its first national elections since independence, the leaders of a Ukrainian trade union, a human rights group and a students' organization, concerned about how fair those elections would be, met to discuss an idea new to the region – non-partisan citizen election monitoring. This coalition, which developed into the Committee of Voters of Ukraine (CVU), quickly recruited and deployed 4,000 monitors for the 1994 parliamentary and presidential elections.

Following those polls, CVU organized public education lectures throughout the country on Ukraine's privatization program in 1995; expanded its education program to help citizens take part in national debates on Ukraine's first post-Soviet constitution in 1996; and generated public discussion on a law establishing elected local governments in 1997. A year later, the Committee fielded 17,000 monitors for parliamentary elections.

In the months leading up to the 1999 presidential election, both CVU volunteers and international organizations reported an alarming rise in intimidation of the independent media, state interference in election campaigns, and other problems. CVU announced that it would conduct a parallel vote tabulation (PVT), a method of projecting the outcome of an election by using monitors to obtain official results from a statistically representative sample of polling places, and releasing them before the final results are announced by the electoral authorities. With the PVT, the organization sought to deter fraud in the counting, and to bolster the legitimacy of the election results. After CVU announced its plans, the Central Election Commission (CEC) took steps to make its counting procedures more transparent. CVU deployed some 16,000 pollwatchers for that election.



CVU members demonstrate at a press conference how a ballot box can be tampered with.

Over the years, CVU has grown from an ad hoc election monitoring coalition to an established independent civic group with some 18,000 volunteers and 160 branches throughout Ukraine. With a professional staff, board of directors and the largest NGO grassroots network operating in every province in the country, the Committee seeks to “strengthen linkages between voters and government both between and during election periods.” A majority of CVU members are young people who have sought to establish democratic governmental structures and to build an organization that sets new standards for activism in the country.

Between elections, CVU advocates for election law reform, and monitors and reports on the activities of national and local legislatures. It runs nearly 100 “citizens’ advice bureaus” that help citizens communicate with government officials, and is assisting efforts to develop a new system of elected citizens’ advisory boards to local government bodies.

For the upcoming national and municipal elections, CVU plans to field 20,000 monitors on election day. During the pre-election period, 100 long-term monitors have been systematically monitoring the pre-election campaign environment. In a series of well-publicized monthly reports

based on observations of political events in more than 500 cities throughout Ukraine, the monitors have reported on preparations for the elections and the conduct of the campaign as they relate to Ukraine's election laws and international standards.

The Committee's reports have been widely read and have drawn unprecedented attention to problems in the pre-election environment. They have also been cited in U.S. congressional resolutions calling on the government of Ukraine to ensure a credible election process. Although criticized in some government circles, CVU has been invited to serve on an advisory board to Ukraine's Central Election Commission.

In addition to its work in Ukraine, CVU volunteers have been asked to participate in election observer missions of the Organization for Security and Cooperation in Europe (OSCE).

NDI has provided financial and technical support to CVU since its founding in 1994. Last year, more than 40 CVU activists participated in NDI's program in Belarus to assist local civic organizations in monitoring the flawed presidential election there.

CVU reports can be found on NDI's website at www.ndi.org.

NDI Pre-Election Delegation to Ukraine



NDI Chairman Madeleine Albright addresses press conference in Kiev following NDI's pre-election mission to Ukraine.

NDI Chairman Madeleine K. Albright headed an international delegation to Ukraine in February to assess the political environment leading up to the March 31 parliamentary and local elections. The NDI delegation held more than 70 meetings around the country with national and local government officials, including President Leonid Kuchma, leaders of political parties, candidates, election officials, and members of the media and civic organizations.

In a statement issued on February 17 and widely distributed in Ukraine and the U.S., the delegation noted that while

there had been significant improvements in the election law, it was “unclear whether the elections would mark a step forward for the country.” The delegation expressed concern about how the new laws were being applied, and reported that it had observed or received credible reports of “intimidation of journalists, denial of access to the media, unbalanced news coverage, and abuse of power and illegal use of funds and facilities.” The delegation called on government authorities to take immediate steps to “reverse the historical trend of flawed elections” in Ukraine, and to “build public confidence in the country’s political system.”

“Government authorities [must] take immediate steps to reverse the historical trend of flawed elections in Ukraine.”

In addition to Madeleine Albright, the delegation included: NDI President Kenneth Wollack; former U.S. Congressman Sam Gejdenson; former U.S. Ambassador to Ukraine, Bill Miller; former Assistant Secretary-General of the United Nations, Cedric Thornberry; Director of Georgetown University’s Institute for the Study of Diplomacy, Casimir Yost; former Advisor to the President of the National Assembly of Slovenia, Mjusa Sever; international trade consultant Robin Carnahan; and NDI Senior Advisor Laura Jewett.

For the full text of the delegation’s statement, see the NDI website at www.ndi.org.

ZIMBABWE

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March 2001 and have been used as a basis for assessing subsequent elections.

Other observer groups that used the SADC-PF guidelines in Zimbabwe also came to similar conclusions. One such group was the local Zimbabwe Election Support Network (ZESN), a coalition of more than 40 civil society organizations. Despite the Zimbabwean government’s efforts to restrict ZESN’s observation of the polls (only 420 of its 12,000 monitors were officially accredited), the organization still managed to deploy thousands of monitors throughout the country on election day. It was strongly critical of the outcome, asserting that “these elec-

tions violate almost all of the SADC-PF Norms and Standards.”

Since the election, Zimbabwe’s political and economic situation has worsened. Within days of his swearing-in, President Mugabe arrested MDC leader Morgan Tsvangirai on the charge of treason, increased restrictions on media coverage, and stepped up seizures of white-owned farms. International pressure escalated with the Commonwealth’s vote to suspend Zimbabwe’s membership in that body, and several countries including Switzerland enacted targeted sanctions directed at the ruling party leadership. A severe drought in the south of the country is threatening the lives of thousands of Zimbabweans, and creating the

possibility of a refugee influx into neighboring South Africa.

The implications of Zimbabwe’s election outcome, and the differing assessments of the election, are far reaching, adding to the atmosphere of uncertainty in the country and in the region.

Since 1999, NDI has supported the efforts of SADC-PF to build a regional institution for observing elections and mediating electoral conflict. Comprised of 12 southern African national legislatures, the Forum also works to promote inter-parliamentary cooperation, regional integration and conflict resolution in the region. NDI has also provided assistance to ZESN to help it develop its nonpartisan election observation capacity.



Marta Gaba, NDI Resident Program Officer for Venezuela, leads a workshop for the Political Leadership Program.

Two Weeks in Washington D.C. for Latin America’s Emerging Political Leaders

In recent years there has been a growing crisis of confidence among citizens of Latin American countries in their political parties, many of which are viewed as being ineffective, corrupt, and out of touch with their constituencies. This disenchantment has created a political vacuum that has allowed for the rise of populist leaders with authoritarian tendencies, threatening democratic institutions throughout the hemisphere.

Parties are attempting to restore their credibility in a number of ways, including emphasizing issues of ethics in public policy, modernizing party structures, and broadening citizen participation, especially among marginalized communities such as women, youth and indigenous peoples.

In response to these reform efforts, NDI launched a regional Political Leadership Program. Begun in 1999, this long-term initiative is designed to train emerging political leaders, foster stronger relations between parties, and support party modernization and reform efforts.

“Parties are attempting to restore their credibility [by] emphasizing issues of ethics in public policy, modernizing party structures, and broadening citizen participation.”

Selected through a competitive process, these young leaders participate in an intensive, two week leadership development academy in Washington, D.C. When they return home, NDI provides a year-long assistance program to help these leaders implement party reform initiatives. Such initiatives have included: increasing the political participation of women, indigenous peoples and youth in the party; improving internal party structures; and strengthening party members’ communication skills.

After four years of the program, NDI is helping foster reform initiatives with 28 political parties from Bolivia, Brazil, Colombia, the Dominican Republic, Guatemala, Mexico, Paraguay and Venezuela.

The fourth regional Political Leadership Program academy was held in Washington, D.C. from February 17 to March 2. This year’s 28 graduates from Bolivia, Colombia, the Dominican Republic and Mexico included national and municipal legislators, local council members, party press secretaries and party training directors. During their two weeks in Washington they received intensive training on such topics as constituency outreach, media relations, negotiation strategies, ethics in party financing, and internal and external communications.



Young party leaders from Latin America and the Caribbean have a chance to interact at a workshop in Washington, D.C.

What's New on the NDI Website

HONG KONG

The Promise of Democratization in Hong Kong: The 2002 Chief Executive Election and the Transition Five Years After Reversion
 Since 1997, NDI has studied the status of autonomy and prospects for democratization in the Hong Kong Special Administrative Region. This is the sixth in a series of reports assessing the developments in rule of law and civil liberties under Chinese sovereignty and the prospects for democratization beyond the 10-year transition period.

DEMOCRACY PROMOTION PROGRAMS

Testimony submitted to the Senate Appropriations Subcommittee on Foreign Operations

NDI submitted written testimony for a hearing on Fiscal Year 2002 appropriations for democracy and human rights programs. This statement highlighted the need for democracy-strengthening programs, particularly in the post-September 11 period.

ANGOLA

Pre-Election Assessment

A joint mission by NDI, the International Republican Institute and IFES to determine the steps necessary to hold democratic elections in Angola.

CAMBODIA

Commune Council Elections Report

NDI report on the February 3 elections for councils in Cambodia's 1,621 communes.

BOSNIA-HERCEGOVINA

A Survey of Voter Attitudes

In February, 3,700 citizens of Bosnia-Herzegovina (BiH) participated in NDI-sponsored interviews designed to measure their attitudes toward the political environment prior to the October 5 general elections.

BUILDING CONFIDENCE IN THE VOTER REGISTRATION PROCESS

An NDI Monitoring Guide for Political Parties and Civic Organizations

This guide is designed as a tool for political parties and civic organizations to monitor and promote improvements in the voter registration process, a key component in assuring democratic elections.

SINGAPORE

The Political Process and the 2001 Parliamentary Elections in Singapore

An analysis of the November parliamentary elections.

CENTRAL & EASTERN EUROPE REGIONAL INITIATIVE

A new initiative designed to bring together leaders and activists from across the region to discuss common political issues, build professional bonds across national borders, and strengthen their political and policy-related skills.

Future editions of the newsletter will highlight new NDI programs around the world that are featured on the website, www.ndi.org.

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