

“NGO”: The Guise of Innocence.

The illusion of innocent philanthropic activity

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In December Egyptian prosecutors and police raided 17 offices of 10 groups identifying themselves as “pro-democracy” NGOs, including four US-based agencies. Forty-three people, including 16 US citizens, have been accused of failing to register with the government and financing the April 6th protest movement with illicit funds in a manner that detracts from the sovereignty of the Egyptian state.

The US has applied massive pressure on Egypt to drop the case, sending high-level officials to Cairo for intense discussions and threatening to cut off up to \$1.3bn in military aid and \$250m in economic assistance if the US citizens were tried. A travel ban was imposed on seven of them by Egypt’s Attorney General, including Sam LaHood, son of Obama’s Transportation Secretary. By the first day of the case all but the seven with travel restrictions had left the country and those who remained did not even attend court. A day after the ban was lifted a military plane removed the remaining seven US citizens from Egypt after the US government provided nearly \$5m in bail.

The Egyptian authorities stated that the matter was firmly in the hands of the judiciary and out of control of government and accused the US of unacceptable meddling. The international community has expressed outrage at the affair and accused the Egyptian military of inciting paranoia of foreign interference so as to deflect attention from the slow pace of political and democratic reform a year after the revolution. Amid the high-profile diplomatic strife there has been an almost total global journalistic silence on the nature and funding of these “NGOs”.

State Sponsored Organisations, Not NGOs

The people standing trial are repeatedly referred to by governments and the media as “NGO workers”. The 43 defendants worked for five specific organisations; Freedom House; the National Democratic Institute (NDI); the International Republican Institute (IRI); the International Center for Journalists (ICFJ) and the Konrad Adenauer *Stiftung*. Only one of these organisations, the ICFJ, can be considered as non-governmental in that it does not receive the majority of its funding either directly or indirectly from a government.

The NDI, chaired by Madeline Albright, and the IRI, chaired by Senator John McCain, represent the US Democratic and Republican political parties. The NDI and IRI, together with the Center for International Private Enterprise, which represents the US Chamber of Commerce, and the Solidarity Centre, which represents the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), make up the four “core institutions” of the National Endowment for Democracy (NED). NED is a non-profit, grant-making institution

that receives more than 90% of its annual budget from the US government. While Freedom House claims to be independent it regularly receives the majority of its funding from the NED. The Konrad Adenauer Stiftung, sometimes referred to as the German NED, is a non-profit foundation associated with the Christian Democratic Union. It receives over 90% of its funding from the German government. This means that the IRI, the NDI, Freedom House and the Konrad Adenauer Stiftung – four of the five accused organisations – are state sponsored institutions and can not be defined as NGOs.

Freedom House has long been criticised for its right wing bias, favouring free markets and US foreign policy interests when assessing civil liberty and political freedom “scores” in countries around the world. Freedom House statistics for 2011 claim that Venezuelans had the same level of political rights as Iraqis. Bolivia’s overall score was reduced from “Free” to “Partially Free” after mass protests removed American-educated millionaire Gonzalo Sanchez de Losada from power after he initiated a sweeping privatization program. Now, under the first government in her history to really recognise the rights of the indigenous majority, Bolivia is still rated by Freedom House as only partially free and received a lower overall score than Botswana where one party (the BDP) has been in power since the first elections were held there in 1965. Freedom House has also been accused of running programmes of regime destabilisation in US “enemy states” and a 1996 Financial Times article revealed that Freedom House was one of several organisations selected by the State Department to receive funding for “clandestine activities” inside Iran including training and funding groups seeking regime change, an act that received criticism from Iranian grass roots pro-democracy groups.¹

The most nefarious of these organisations by far, however, are the IRI and the NDI. They receive NED grants “for work abroad to foster the growth of political parties, electoral processes and institutions, free trade unions, and free markets and business organizations.”² On March 6th, a protest march was organised by American civil society organisations at the offices of the NED in Washington, demanding; “NO ATTACKS ON DEMOCRACY ANYWHERE! CLOSE THE NED”. Union members and labor activists have protested and campaigned for years demanding that the AFL-CIO’s Solidarity Center break all ties to the NED.

Board of Directors

Chaired by Richard Gephardt – former Democratic Representative, now CEO of his own corporate consultancy and lobbying firm – the NED’s board of directors consists of a collection of corporate lobbyists, advisors and consultants, former U.S congressmen, senators, ambassadors and military and senior fellows of think tanks. For example, John A. Bohn, a former high level international banker and former President and Chief Executive Officer of Moody’s Investors Service, is now Commissioner of the California Public Utilities Commission, a principal in a global corporate advisory and consulting firm and Executive Chairman of an internet based trading exchange for petrochemicals. Kenneth Duberstein, former White House Deputy Chief of Staff under Reagan, is now Chairman and CEO of his own corporate lobbying firm. He also sits on the Board of Governors of the American Stock Exchange and NASD and serves on the Boards of Directors of numerous conglomerates including The Boeing Company, ConocoPhillips and Fannie Mae. Martin Frost is a former congressman who was involved in writing the 1999 “Gramm-Leach-Bliley Act” also known as the “Citigroup Relief Act”, and William Galston, former student of Leo Strauss, is a US Marine Corp veteran.

The Board also contains four of the founding members of ultra-conservative think tank *Project for a New American Century*; Francis Fukuyama (author of *The End of History*), Will Marshall (founder of the 'New Democrats', an organisation that aimed to move Democratic Party policies to the right) former congressman Vin Weber (who retired from Congress in 1992 as a result of the House Banking Scandal and is now managing partner of a corporate lobbying firm) and Zalmay Khalilzad. Under George Bush Jr., Khalilzad served as US Ambassador to Iraq, Afghanistan and the UN. He is now President and CEO of his own international corporate advisory firm which advises clients - mainly in the energy, construction, education, and infrastructure sectors - wishing to do business in the Middle East, particularly in Iraq and Afghanistan. He also briefly consulted for Cambridge Energy Research Associates while they were conducting a risk analysis for the proposed Trans-Afghanistan gas pipeline.

History

The NED was founded in 1983 when Washington was embroiled in numerous controversies relating to covert military operations and the training and funding of paramilitaries and death squads in Central and South America. The NED was formed to create an open and legal avenue for the US Government to channel funds to opposition groups against unfavourable regimes around the world, thus removing the political stigma associated with covert CIA funding. In a 1991 *Washington Post* article, "Innocence Abroad: The New World of Spyleless Coups", Allen Weinstein (who helped draft the legislation that established the NED) declared; "A lot of what we [the NED] do today was done covertly 25 years ago by the CIA". [3](#)

In 1996 the Heritage Foundation published an article in defence of continued NED congressional funding which accurately summed up the NED as a US foreign policy tool; "The NED is a valuable weapon in the international war of ideas. It advances American national interests by promoting the development of stable democracies friendly to the U.S. in strategically important parts of the world. The U.S. cannot afford to discard such an effective instrument of foreign policy...Although the Cold War has ended, the global war of ideas continues to rage". [4](#)

As well as ongoing campaigns of regime destabilisation in undemocratic US enemy states such as Cuba and China, and its well known funding of "colour" revolutionaries in the former soviet space, the NED has been repeatedly involved in influencing elections and overthrowing governments in left-leaning and anti-US democratic regimes around the world. This is achieved by providing funding and/or training and strategic advice to opposition groups, political parties, journalists and media outlets. As Barbara Conry of the Cato Institute wrote: "Through the Endowment, the American taxpayer has paid for special-interest groups to harass the duly elected governments of friendly countries, interfere in foreign elections, and foster the corruption of democratic movements." [5](#)

From 1986 to 1988 the NED funded the right-wing political opposition to Nobel Peace Price winner, President Oscar Arias, in democratic Costa Rica because he was outspokenly critical of Reagan's violent policies in Central America. During the 1980s the NED was even active in "defending democracy" in France due to the dangerous rise in communist influence perceived as occurring under the elected socialist government of Francois Mitterrand. Money was channelled into opposition groups including extreme right-wing organisations such as the National Inter-University Union. In 1990 the NED provided funding and support

to right wing groups in Nicaragua, and Daniel Ortega and the Sandinistas were removed from power in an election described by Professor William I. Robinson as an event in which “massive foreign interference completely distorted an endogenous political process and undermined the ability of the elections to be a free choice”.[6](#)

In the late 1990s the NED provided funding and support to the US backed right-wing opposition against the election campaign of progressive former president, and first democratically elected leader of Haiti, Jean-Bertrand Aristide. When a coup removed Aristide from power for the second time in 2004 it was revealed that the NED had provided funding and strategic advice to the principal organizations involved in his ousting. The involvement of the NED in the 2002 attempted coup against President Hugo Chavez in Venezuela has been well researched and documented. Immediately after the coup, however, the then president of the IRI, George Folsom, revealed the institute’s role in the endeavour when he sent out a press release celebrating Chavez’s ousting: “The Institute has served as a bridge between the nation’s political parties and all civil society groups to help Venezuelans forge a new democratic future...”.

The IRI was also implicated in the 2009 Honduran coup amid claims that the organisation had supported the ousting of democratically elected leader Manuel Zelaya because of his support of the Bolivarian Alternative for the Americas (an anti-free trade pact including Honduras, Venezuela, Bolivia and Cuba) and his refusal to privatise telecommunications. According to the Council on Hemispheric Affairs AT&T – an American telecommunications giant – has provided significant funding to both the IRI and Senator John McCain (its chairman) in order to target Latin American states that refuse to privatize their telecommunications industry.[7](#)

Influence in Egypt and the Arab Spring

The NED works in democratic Turkey but does not provide “democratisation grants” to civil society organisations in Western allied absolute monarchies such as Qatar, Saudi Arabia or Oman. A number of NED backed activists have taken centre stage in the Arab Spring struggles and U.S. supported candidates have risen to occupy leading positions in newly established transitional governments. The most glaring example of this is Libya’s transitional Prime Minister, Dr. Abdurrahim El-Keib, who holds dual U.S./Libyan citizenship and is former Chairman of the Petroleum Institute sponsored by British Petroleum, Shell, Total and the Japan Oil Development Company. He handed the job of running Libya’s oil and gas supply to a technocrat and, according to the *Guardian*, has passed over Islamists expected to make the cabinet in order “to please Western backers”.[8](#) Tawakkul Karman too, of Yemen, who became the youngest ever recipient of a Nobel Peace Prize in 2011, was leader of a NED grantee organisation, “Women Journalists without Chains”.

In 2009 sixteen young Egyptian activists completed a two-month Freedom House ‘New Generation Fellowship’ in Washington. The activists received training in advocacy and met with U.S. government officials, members of Congress, media outlets and think tanks. As far back as 2008, members of the April 6th Movement attended the inaugural summit of the Association of Youth Movements (AYM) in New York, where they networked with other movements, attended workshops on the use of new and social media and learned about technical upgrades, such as consistently alternating computer simcards, which help to evade state internet surveillance. AYM is sponsored by Pepsi, YouTube and MTV and amongst the luminaries who participated in the 2008 Summit, which focused on training activists in the use of Facebook and Twitter, were James Glassman of the State Department,

Sherif Mansour of Freedom House, National Security Advisor Shaarik Zafar and Larry Diamond of the NED.

This is rather ironic considering that in September 2009 the US authorities arrested Elliot Madison (a US citizen and full-time social worker) for using Twitter to disseminate information about police movements to G20 Summit street protesters in Pittsburgh. Madison, apparently in violation of a loosely defined federal anti-rioting law, was accused of “criminal use of a communication facility,” “possessing instruments of crime,” and “hindering apprehension”. Given that heavily armed police officers were using tear gas, sonic weapons and rubber bullets on protesters Madison’s actions were hardly unjustified. Further demonstrating the hypocrisy of Madison’s arrest is the fact that in June 2009 the State Department had requested Twitter delay a planned upgrade so that Iranian protesters’ tweets would not be interrupted. Twitter Inc subsequently stated in a blog post that it had delayed the upgrade because of its role as an “important communication tool in Iran.”⁹

A leaked 2008 cable from the Cairo US Embassy, entitled “April 6 activist on his US visit and regime change in Egypt”, showed that the US was in dialogue with an April 6th youth activist about his attendance at the AYM Summit.¹⁰ The cable revealed that the activist tried to convince his Washington interlocutors that the US Government and the International Community should pressure the Egyptian government into implementing reforms by freezing the off-shore bank accounts of Egyptian Government officials. He also detailed the youth movement’s plans to remove Mubarak from power and hold representative elections before the September 2011 presidential election.

While the cable revealed that the US deemed this plan “highly unrealistic”, the dialogue proves that the funding of any youth organisation associated with the April 6th movement by a US organisation since December 2008 had been done with Washington and the US embassy in Cairo being fully aware that the movement’s aim was regime change in Egypt. Yet in April 2011 the *New York Times* published an article entitled ‘U.S. Groups Helped Nurture Arab Uprisings’ in which it openly stated that; “A number of the groups and individuals directly involved in the revolts and reforms sweeping the region, including the April 6th Youth Movement in Egypt, the Bahrain Center for Human Rights and grass-roots activists like Entsar Qadhi, a youth leader in Yemen, received training and financing from groups like the IRI, the NDI and Freedom House”.

According to the NED’s 2009 Annual Report, \$1,419,426 worth of grants was doled out to civil society organisations in Egypt that year. In 2010, the year preceding the January – February 2011 revolution, this funding massively increased to \$2,497,457.¹¹ Nearly half of this sum, \$1,146,903, was allocated to the Center for International Private Enterprise for activities such as conducting workshops at governate level “to promote corporate citizenship” and engaging civil society organizations “to participate in the democratic process by strengthening their capacity to advocate for free market legislative reform on behalf of their members”. Freedom House also received \$89,000 to “strengthen cooperation among a network of local activists and bloggers”.

According to the same 2010 report, various youth organisations and youth orientated projects received a total of \$370,954 for activities such as expanding the use of new media and social advertising campaigns among young activists, training and providing ongoing support in “the production and targeted dissemination of social advertisement campaigns”, building the leadership skills of political party youth, strengthening and supporting “a cadre of young civic and political activists . . . well positioned to mobilize and engage their

communities”, and providing youth training workshops in “professional media skills as well as online and social networking media tools”.

But this is just the funding that is transparently made known to us on the NED’s official website. After the revolution, the NDI and IRI massively expanded their operations in Egypt, opening five new offices between them and hiring large numbers of new staff. The Egyptian authorities claim that they have found these organisations’ finances very difficult to trace. According to Dawlat Eissa – a 27-year-old Egyptian-American and former IRI employee – the IRI used employees’ private bank accounts to channel money covertly from Washington, and an IRI accountant stated that directors used their personal credit cards for expenses. Eissa and a number of her colleagues resigned from their posts with the IRI in October, and Eissa filed a complaint with the government after director Sam LaHood reportedly told employees to collect all of the organisation’s work related paperwork for scanning and shipping to the US.¹²

It is clear that NDI, IRI and Freedom House were training and funding the youth movement in Egypt while the US Government and its Cairo Embassy were fully aware that the youth movement aimed to remove Mubarak from power. Critics claim that the defendants are being charged with a law that is a “relic of the Mubarak era”. But, it may be replied, in what country does the law allow foreign governments to fund and train opposition groups with a stated goal of regime change? It is common sense to assume that if China or Cuba were funding similar oppositionist groups in the US, those involved would be facing far harsher sentences than the 43 now standing trial in Egypt. Yet they continue to hide behind the tattered guise of being “NGO” employees, claiming independence because their US government funding is channelled through the National Endowment for Democracy.

The term “NGO” is used deliberately to create an illusion of innocent philanthropic activity. In this case the Egyptian government is investigating the operations of organisations in receipt of US state funding which have a proven history of covertly funding political parties, influencing elections and aiding coups against both autocratic and democratic non-compliant and left-leaning governments around the world. Yet one mention of the Egyptian government’s raid on the offices of so-called “pro-democracy NGOs” in Cairo was enough to spark an international outcry. The result has been an almost complete failure by the Western press to investigate at all the history of the organisations involved or the validity of the charges being brought against them.

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