

Democracy Assistance in Post-Communist Russia: Case Studies of the Ford Foundation, the C.S. Mott Foundation, and the National Endowment for Democracy

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This research report specifically focuses on The Ford Foundation, Early Explorations, and Motivations. Historic changes brought about by perestroika, glasnost, and the eventual collapse of the Soviet communist system in the late 1980s and early 1990s offered an unprecedented opportunity for the international community to support transitions to democracy and social transformations in a region that had long known totalitarian rule. Only a few years prior, few could have imagined that democracy's chief global rival—communism—would fall so dramatically and so rapidly in the USSR, transforming the day-to-day lives of millions of people who had lived under one-party rule, a command economy, and ideological and institutional control for decades. While financial and technical assistance to support transitions flowed into the region from the governments of industrialized democracies including the United States and many individual member states of the European Community, from international financial institutions, and from multilateral organizations, also among the key institutional players engaged in providing support were U.S. grantmaking institutions.¹ While a number of these U.S. grantmaking organizations had previously been engaged in Soviet-related grantmaking, some were new not only to Soviet-related grantmaking, but even to grantmaking on an international level, feeling “compelled to respond to what they saw as an historical moment.”²

Today, as more than twenty years have passed since the collapse of the Soviet Union, a small, but growing literature has begun to explore the role of democracy aid in post-communist transitions. With a number of exceptions, this literature has largely failed to adequately distinguish U.S. grantmakers from other funders supporting democratic transitions and consolidations, often neglecting the original intentions and motivations of diverse U.S. grantmakers and generalizing Western aid as a monolithic failure. My master's degree thesis seeks to fill gaps in existing research and literature by focusing on U.S. grantmakers as providers of aid for democratic transition and consolidation in Russia, a country widely viewed as the lynchpin of the region. I explore why grantors chose to become engaged in grantmaking in Russia in the years leading up to and following the collapse of the Soviet Union, as well as what grantmakers attempted to achieve. Specifically, my research focuses on three different types of grantmaking institutions through three different case studies including: the Ford Foundation, a private foundation with a history of international grantmaking spanning several decades; the C.S. Mott Foundation, a private foundation known for primarily for its domestic focus with a much shorter history of international grantmaking; and, finally, the National Endowment for Democracy, a U.S. government-created and heavily publically-funded nongovernmental organization established to make grants specifically for the promotion of democracy.

Two research trips to the Rockefeller Archive Center (RAC) in 2013—one in January and one in June—provided me with the opportunity to access a wealth of resources to inform my case study of the Ford Foundation.³ Among the resources that I consulted were a variety of internal reports and histories documenting the Ford Foundation's international grantmaking history, a history largely informed by Cold War struggles and East-West tensions. Any study of the Ford Foundation's more recent Soviet-related grantmaking must necessarily be framed

within the context of its past history of Soviet-related efforts. The office files of Ford Foundation Vice-President, Francis X. Sutton, were particularly useful in this regard, as was William Greenleaf's unpublished history "The Ford Foundation-The Formative Years." These two histories, along with other unpublished reports available at the RAC reveal that from the publishing of the "Gaither Report" in 1950 through the mid-1980s, the Ford Foundation "consistently tried to build on whatever opening existed" as it made Soviet-related grants during a time when little effective government-to-government communication existed.⁴

The Ford Foundation's efforts during these years largely focused on educational exchange programs, on support for Soviet and East European refugees, on efforts to advance human rights and freedom in the region, and, overall, on general efforts aimed at improving U.S. understanding of the Soviet Union and Eastern Europe.⁵ The Ford Foundation also provided substantial support for research and policy analysis related to international peace, security, and arms control issues, playing a leadership role among private foundations in this area for much of the 1970s and early 1980s.⁶ Among other impacts, the Ford Foundation's long history of Soviet-related grantmaking provided the Ford Foundation with a familiarity with the region's major players—a familiarity that would later impact the Foundation's approach to expanded grantmaking in the region.

In focusing on the Ford Foundation's early explorations and motivations for Soviet-related grantmaking in the immediate years leading up to and following the collapse of the communist system and the fall of the Soviet Union, the office files of the New York-based Ford Foundation and its unpublished reports proved most useful.⁷ These files provided invaluable documentation of the Ford Foundation's decision-making processes and philosophies and included: inter-office memos between program personnel and the Foundation's president and

vice-presidents; reports on trips made by Ford Foundation personnel to Russia; notes on Board of Trustees discussions; summaries of meetings attended by Foundation personnel; and documentation of periodic program reviews.

Indeed, these Ford Foundation files at the RAC indicate that given the Ford Foundation's long history of Soviet-related grantmaking, the Foundation watched Mikhail Gorbachev's accession to power in 1985 with particular interest. Recognizing that the events of the mid-to-late 1980s would have been "unthinkable" only a few years before, Ford Foundation personnel viewed Gorbachev's restructuring of the economy and loosening of social controls as "critically important to the development of democratic values and pluralism in the region, greater cooperation between the East and West, and the more harmonious functioning of the overall international system,"⁸ goals toward which the Ford Foundation had been working for decades. Thus, in June 1988, the Ford Foundation established a Soviet and East European Study Group (SEESG) with a mandate to "reassess its grantmaking relating to the USSR in light of the changes taking place there and to explore whether these [changes] created new opportunities for its work there."⁹

The SEESG took a particularly comprehensive and methodical approach to researching opportunities in the region, an approach which drew on expert opinions, consultations with and tracking of other donor support in the region, and Ford Foundation-organized trips to the region which emphasized interactions with high-level leaders and prominent activists. Drawing widely on the networks it had developed through its decades of Soviet-related grantmaking and its connections with the U.S. government, the SEESG was particularly diligent in seeking counsel from a wide range of Soviet and Eastern European experts in the region, as well as experts on Soviet-U.S. relations, experts who largely encouraged the Ford Foundation to expand

grantmaking in the region and who also conveyed a sense of urgency. Among others, these experts included the Deputy Foreign Minister of the U.S.S.R., Vladimir Petrovsky; the U.S. Ambassador to the Soviet Union, John Matlock; and Professor of Political Science at Columbia University, Seweryn Bialer.¹⁰ Reflecting the uncertainty of the situation in the Soviet Union in the late 1980s and mindful of the fragility of the reform process, Bialer, in particular, encouraged the Ford Foundation to move quickly, stating that because “timeliness is of the essence ... some things may be worth doing badly simply because there is no effective alternative to doing them quickly and on a scale that is large enough to have a real impact.”¹¹

Also recognizing that important changes had been taking place in the funding community’s engagement in the region, the SEESG was careful to consider the Ford Foundation’s own expansion of work within the context of other donors’ support in the region. Archival documents indicate that SEESG sought counsel from other U.S. funders which had moved quickly into the region or which had already been engaged in the region, including the United States Information Agency, The Rockefeller Brothers Fund, The National Endowment for Democracy, The Soros Foundation-Soviet Union, and The Carnegie Corporation of New York.¹² The SEESG carefully documented these donors’ activities as the group worked to identify funding gaps, to avoid duplication of efforts, and to identify where collaborations could be beneficial.

Notably, as the Ford Foundation sought to identify its niche in the region moving forward, SEESG members were careful to consider even very early on how private foundation support could play a role in the region vis-à-vis increasing public support flowing into the region from Western governments and quasi-governmental agencies. In addition to outlining for Ford Foundation trustees the specific levels of support and activities of U.S. governmental agencies,

including the U.S. Department of Education, The Department of State, and the United States Information Agency, SEESG members were also careful to also note the recommendation of a high level executive in the United States Information Agency who encouraged the Ford Foundation to concentrate on fields including “justice, human rights, electoral practices, federalism, and state and local government,” because these particular issues were “easier to handle through private funding.”¹³

Also, as part of its study, SEESG members took a number of trips to the region, including a group trip from March 31-April 15, 1989. As the SEESG developed its own itinerary for travel, it reached out to Soviet experts, such as dissident and human rights activist Valery Chalidze, to review lists of individuals, groups, and institutions (both official and unofficial) that the members of the group should seek out while in the region, resulting in a comprehensive agenda that gave SEESG members a front-row seat to a plurality of perspectives on the rapid change occurring in the region.¹⁴ Most notably, Ford Foundation officials met with Andrei Sakharov in his “small but dilapidated Moscow apartment,” with representatives of the Academy of Sciences of the USSR, with U.S. Embassy officials, and with representatives of the emerging human rights group Memorial which was in the process of negotiating its legal status directly with Gorbachev and the Presidium of the Supreme Soviet while Ford Foundation official were visiting.¹⁵ As the SEESG reported, these visits offered group members the opportunity to meet with “important institutions and individuals” to specifically discuss their priorities and needs.¹⁶

As Ford Foundation program officer Paul Balaran wrote in the weeks following the SEESG trip, the trip confirmed that leaders in the region had “an enormous appetite for contact with their counterparts from the West” and that the trip “made clear that now is the right time for the Ford Foundation to undertake a focused grantmaking program on the Soviet Union.”¹⁷

Indeed, other internal memos written by SEESG members in the weeks and months following the trip indicate that while Ford Foundation officials were enthusiastic overall about the potential for expanding grantmaking opportunities in the region, their enthusiasm was also tempered by careful assessment of the difficulties inherent in undertaking such work. It was critical, argued SEESG members in their internal memos, to remember that the changes taking place in the Soviet Union were unprecedented. “No role models exist,” wrote Ford Foundation official Thomas Trebart, noting that the few Western funders working in the region at the time were encountering substantial challenges simply “getting organized.”¹⁸ Unlike other field regions in which the Ford Foundation operated, such as Africa or Latin America, the region was “assuredly not poor” nor was it “devoid of educated people and academic institutions,” reflected Enid Schoettle, then-Director of International Affairs programs for the Ford Foundation, making clear that these differences would necessitate a different philosophical approach to the Foundation’s grantmaking in the region.¹⁹

Yet, despite the fact that the Soviet Union and Eastern Europe were viewed by SEESG members as “complicated, bureaucratic and often inhospitable places in which to operate,” it was the international political significance of the region and the region’s “extraordinary reforms” that would eventually compel the SEESG to recommend expanded programming for the region.²⁰ The SEESG’s decision to recommend expanded programming specifically in the Soviet Union was further based on the group’s understanding of the Soviet Union as the critical lynchpin in the region. For members of SEESG, the Soviet Union was understood to be “the most important country in the region whose reform efforts had great consequence for other countries,” specifically Poland, Hungary and Czechoslovakia, which were at the forefront of reform efforts elsewhere in the region.²¹ Noting that the Soviet Union and Eastern Europe were “inextricably

linked,” SEESG members posited that “the Soviet attitude remains central to social change and political stability in the region.”²² Indeed, the Ford Foundation’s notion of the central, critical role played by the Soviet Union would only grow stronger over time.

Notably, the Ford Foundation also drew on its past experience in the region as it sought to develop specific recommendations for the Foundation’s trustees, crediting the Ford Foundation’s decades of grantmaking in the region as having been successful. “Our longstanding support for exchange activities has paid off handsomely in the Soviet Union and Eastern Europe,” SEESG emphasized. “Many of the prominent advocates of progressive change in the Soviet Union and Eastern Europe are alumni of the exchanges and collaborative activities supported by the Foundation since the early 1950s,” the group went on to write, boldly concluding, “there is every reason to believe that future work in the region can have an equally beneficial effect.”²³

Indeed, expressing uncertainty about whether Gorbachev himself would or would not last—and not willing to enter this “fruitless debate”—the SEESG recognized that many of Gorbachev’s reforms were “at least partially irreversible”²⁴ and moved forward in 1989 by outlining its recommendations for an expanded grantmaking program related to the Soviet Union and Eastern Europe. Primarily concerned with the development of “pluralism and democratization in these socialist societies,” as well as with “integrating” the Soviet Union into a “more peaceful and productive world order,” the Ford Foundation’s expanded grantmaking program in the early 1990s would center around political and legal reform efforts, economics, and environmental issues.²⁵ Traditional support for higher education, East-West relations, and human rights would also continue.

As additional office files and unpublished reports at the RAC reveal, the Ford Foundation continued to deepen its commitment to the region throughout the politically and economically tumultuous 1990s and early 2000s. Guided by its continued, overarching goal of supporting social, economic, and political transformations underway in the region, the Ford Foundation opened a field office in Moscow in 1996 and significantly broadened its grantmaking agenda in subsequent years to also include support of media, arts, and culture; volunteerism and local governance; and HIV-AIDs.²⁶ My forthcoming master's thesis endeavors to explore these later developments in greater detail, tracing the evolution of the Ford Foundation's grantmaking strategies over time and, more generally, providing a more complete picture of the varied motivations, intentions, and grantmaking strategies of U.S. grantmakers involved in providing democracy assistance in post-communist Russia.

The Rockefeller Archive Center has been an invaluable source of information and support throughout the research phase of my project. I wish to extend special thanks to assistant archivist Lucas Buresch who helped me to navigate the extensive Ford Foundation collections, assisted me in identifying relevant unpublished reports and microfilm grant files for a number of specific Russia-related grants, and compiled extensive lists of Soviet-related grants made by the Ford Foundation for the time period covered by my study. His knowledge of this new collection was impressive and his guidance greatly appreciated.

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The ideas and opinions expressed in this report are those of the author and are not intended to represent the Rockefeller Archive Center.

ENDNOTES:

¹ Larry Diamond, "Promoting Democracy in the 1990s: Actors, Instruments, and Issues." In Axel Hadenius, editor, *Democracy's Victory and Crisis: Nobel Symposium no.93*. Cambridge, U.K.: Cambridge University Press, 1997, pp. 311-370.

² Kevin F. F. Quigley, *For Democracy's Sake: Foundations and Democracy Assistance in Central Europe*. Washington, D.C.: The Woodrow Wilson Center Press, 1997, p. 3.

³ The careful record keeping of Ford Foundations officials also meant that a number of letters and e-mails received from other foundation presidents and personnel, including those of the C.S. Mott Foundation, as well as minutes from conferences of U.S. private foundations making grants in the region were also available. These documents, unavailable in other archives, have helped to fill in gaps in my case studies of the C.S. Mott Foundation and the National Endowment for Democracy.

⁴ "Report of the Soviet and East European Study Group," p. 17, November 1989, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, Rockefeller Archive Center (RAC).

⁵ Francis X. Sutton, "Citation Check Re: Sutton Manuscript, "International Philanthropy in a Large Foundation (3 of 3)," 1987, Folder 10, Box 76, FA 568, International Division, Office of the Vice President, Office Files of Francis X. Sutton, 1949-2002, Ford Foundation Records, RAC; Bozena Leven, "The History of the Ford Foundation's Grantmaking Activities in the Soviet Union and Eastern Europe: Outline," 1984, report 012665, Ford Foundation Records, RAC; "Discussion Paper: The Ford Foundation's Program in Russia," 2003, report 016878, Ford Foundation Records, RAC.

⁶ Enid Schoettle, "The Ford Foundation's Program in International Peace, Security and Arms Control: Paper prepared for the Human Rights, Governance and International Affairs Committee of the Board of Trustees," June 23, 1982, report 006621, Ford Foundation Records, RAC.

⁷ Office files for the Ford Foundation's Moscow field office, which opened in 1996, had not been moved to the RAC as of my visits in 2013. If these files become available, future researchers will be able to add additional perspectives to the research presented in my forthcoming Masters thesis, which necessarily focuses on the development of grantmaking programs and strategies from the Ford Foundation's headquarters in New York City.

⁸ "Report of the Soviet and East European Study Group," p. 1, November 1989, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC.

⁹ Margo Picken letter to Valery Chalidze, p. 1, February 16, 1989, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC. According to the "Report of the Soviet and East European Study Group" cited above, the original SEESG included Susan Berresford (Vice President, U.S. and International Affairs Programs), William Carmichael (Vice President, Developing Countries Programs), Brian Urquhart (former U.N. Under Secretary General for Special Political Affairs and Ford Foundation Scholar-in-Residence), the directors of the Foundation's International Affairs, Human Rights and Governance, Rural Poverty and Resources, and Education and Culture programs, as well as program officers from the International Affairs program, Human Rights and Governance program, and the Ford Foundation's Office of Communications, representing a very broad cross-section of Ford Foundation personnel.

¹⁰ "Interim Report for Discussion at the Board Meeting on December 8, 1988," p. 11, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC. Additional experts included the Director of the Nongovernmental Organizations Section of the Institute for World Economy and International Relations in the U.S.S.R. (Tair Tairov), the President of the Institute for East-West Security Studies (John Mroz), and Director of the Institute for U.S. and Canadian Studies in the U.S.S.R. (Georgi Arbatov).

¹¹ Stanley J. Heginbotham, "Summary of Comments of Seweryn Bialer, September 1988," 1988, p. 4, report 012081, Ford Foundation records, RAC.

¹² “Interim Report for Discussion at the Board Meeting on December 8, 1988,” p. 11, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC.

¹³ Paul Balaran memo September 14, 1988, p. 2, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC. These recommendations were similar to recommendations made by U.S. Embassy officials in Moscow one year later when Ford Foundation officials visited the embassy on a visit to the Soviet Union, as recorded by Shepard Forman. At that time, officials from the Embassy’s Culture, Political, Economic, and Public Affairs sections recommended, in order of priority: work on legal reforms and democratization, economy, and ecology. Shepard Forman, May 4, 1989, report 012017, Ford Foundation records, RAC.

¹⁴ Margo Picken letter to Valery Chalidze, p. 2, February 16, 1989, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC.

¹⁵ Shepard Forman, May 4, 1989, p. 8-12, report 012017, Ford Foundation records, RAC. Notably, the Ford Foundation officials’ agenda differed considerably from that of other U.S. foundation executives’ who only weeks earlier participated in a Council on Foundations-organized tour, which particularly emphasized grassroots, citizen-level meetings in the USSR, per James A. Joseph, letter to Council on Foundations Delegation to the Soviet Union, February 21, 1989, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC.

¹⁶ “Report of the Soviet and East European Study Group,” p. 1, November 1989, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC.

¹⁷ Paul Balaran, “Recommendations for work on the Soviet Union,” memo, May 17, 1989, p. 1, report 012919, Ford Foundation records, RAC.

¹⁸ Thomas Trebat, “Members of SEESG,” memo, June 16, 1989, p. 1, report 012919, Ford Foundation records, RAC. Trebat’s memo further documents his concern regarding logistical challenges for grantmaking in the region, including poor transportation and communication infrastructures and the difficulties potential grantees were predicted to face in registering with the government and opening bank accounts needed to receive foreign transactions.

¹⁹ Enid C.B. Schoettle, “Recommendations for Future Work of the SEESG pursuant to April 4-14, 1989 Trip to the USSR and Hungary,” memo June 27, 1989, p. 7, report 012919, Ford Foundation records, RAC.

²⁰ Enid C.B. Schoettle, “Recommendations for Future Work of the SEESG pursuant to April 4-14, 1989 Trip to the USSR and Hungary,” memo June 27, 1989, p. 7, report 012919, Ford Foundation records, RAC.

²¹ Joseph Schull & Paul Balaran, “Russia and Eastern Europe Program Review,” memo, February 7, 1994, p. 3, report 016311, Ford Foundation records, RAC.

²² Enid C.B. Schoettle, “Recommendations for Future Work of the SEESG pursuant to April 4-14, 1989 Trip to the USSR and Hungary,” memo June 27, 1989, p. 2, report 012919, Ford Foundation records, RAC.

²³ “Report of the Soviet and East European Study Group,” p. 30, November 1989, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC.

²⁴ Enid C.B. Schoettle, “Recommendations for Future Work of the SEESG pursuant to April 4-14, 1989 Trip to the USSR and Hungary,” memo June 27, 1989, p. 2, report 012919, Ford Foundation records, RAC.

²⁵ “Report of the Soviet and East European Study Group,” p. 30, November 1989, Folder 14 (SEESG [Meeting notes]), Box 6, Human Rights and Governance Program, Program Director, Office Files of Shepard Forman, Ford Foundation records, RAC. This language nearly precisely replicated the recommendations issued by Enid Schoettle in her June 27, 1989 memo cited above in which Schoettle recommended expanded activity to “further political, social, and economic pluralism in the USSR and Eastern Europe and to further the peaceful and productive integration of these countries into the international system,” p. 1.

²⁶ Nora Fitzgerald, “The Ford Foundation: 10 Years in Russia,” 2006, report 017316, Ford Foundation records, RAC.