

## **Ahead of the Curve – why the UN needs the capacity to think!**

### **Notes from Richard Jolly's Presentation on May 26**

It is very important to bring some historical perspective into this series on UN reform, especially because of the many myths about the UN's capacity and past performance – which a historical perspective may help to correct.

Some of the myths include:

- UN is mostly about the security council, peacekeeping and humanitarian action – ignoring that some 80 % of the UN staff and core budget is spent outside these areas, mostly on development, though often about development linked to conflict and post conflict situations. UNICEF has today nearly 100 staff in Iraq and WFP have a good number too.
- UN's work is low quality, all bland documents, uncritical of governments – at least of developing country governments. This is far from true. My favourite statistic: 10 Nobel prize winners in economists have worked with or for the UN – only one for the World Bank and the IMF – Joe Stiglitz, and he resigned.
- UN is an overpaid bureaucracy – “too many staff sitting around in New York or Geneva, pushing paper and doing too little”. UNDP & UNICEF have for many years had well over 80 per cent of their staff living and working full time in developing countries. As regards pay, the UN has for many years had salary scales lower by some 20 or 30 per cent than those of the Bretton Woods Institutions.

There are more serious misunderstandings of the UN, which a historical perspective may also help to correct:

- The UN is totally resistant to reform and has been from the beginning. Ed Luck has recently documented the major efforts of reform which have been carried out from the UN's early days.
- The difficulties of reform often spring more from governments than from the secretariat. Track 1 versus track 2 reforms, for instance.

- The detailed manuscript from Jim Ingram on WFP reform. Saouma's opposition to reform built on continuing inconsistencies among and between the developed countries, most of whom in public declared strong support for reform but were endlessly weak-willed, diverted by other motivations, unwilling and unable to provide consistent support for reform. In a much lesser way, I have seen this in my own experience in UNICEF and UNDP.
- The UN is not over-funded but seriously under-funded. For many years the UN has been "starved into reform" – to use the telling phrase of Dame Joan Anstee, one of UK's most senior and experienced UN staff members, who spent almost all her professional life in the UN – and has recently written her memoirs – *"Never Learn to Type: A woman at the UN"*. As one example, the ILO's budget today is 15 % less in real terms than 20 years ago. UNDP's also is much reduced, many others. Equally important, and probably much more important in the development arena, for the last 20 years, the donors have disproportionately channelling their multilateral resources through the Bretton Woods Institutions – as opposed through the UN agencies, in spite of evidence that project costs and support costs of the UN funds are lower and projects often more effective than those of the World Bank.

These are some of the reasons why about 5 years ago we set up the UNIHP, the UN Intellectual History Project, to document some of the UN's history in the economic and social arena, an area until now almost totally neglected. The UNIHP is

- Outside the UN and independent of it – based in CUNY, with an independent Advisory Board, funding from foundations and governments and with three co-Directors – Louis Emmerij, Tom Weiss and myself.
- Focused on the UN's contributions to economic and social ideas and thinking. This has never been documented before. So far five volumes have been completed and there will be some 9 more. The volumes cover the contributions of the regional commissions, trade and finance, statistics, environment and global resource management, gender, human rights, human security, the UN and the transnationals, global governance and UN contributions to development thinking and

practice. In addition, we have conducted 75 in-depth interviews of some of the UN leaders and pioneers, selections of which will be published in a separate volume, *UN voices: the struggle for development and social justice*.

- Details can be found on the web-site [www.unhistory.org](http://www.unhistory.org)

Let me provide a few highlights from this very large range of work.

1. In 1950s, when “development” in its modern perspective was a new and emerging field, the UN itself made a number of pioneering contributions – notably three major reports in 1949 and 1951. *National and International Measures for Full Employment*, a report to which Nicholas Kaldor provided a remarkable core of Keynesian analysis; *Measures for the Economic Development of Under-developed Countries* and *Measures for International Economic Stability*. Arthur Lewis and T W Shultz were major contributors to the second of these reports. Measures covered careful analysis of a broad range of issues later forgotten, taken up again, forgotten in the 1980s and many subsequently re-discovered: the vital need in development for administrative and legislative action, an appropriate balance between public and private sector activity, though recognizing that the balance will vary between countries, technology, land reform etc. At the core of the report was a focus on raising savings and capital formation as the essence of development – echoing the approach subsequently elaborated by Arthur Lewis, though over-focusing on capital formation essentially as physical capital.
2. One of the UN’s important and early contributions was in setting statistical standards and priorities, in particular, creating the SNA, the System of National Accounts. Richard Stone and James Mead, another two Nobel Prize Winners in economics, were at the heart of this creation, which has resulted in GNP estimates for virtually all countries of the world. Michael Ward refers to this as follows, “The creation of a universally acknowledged statistical system and of a general framework guiding the collection and compilation of data according to recognized professional standards both internationally and

nationally has been one of the great and most unsung successes of the UN organization.” However, there was a downside to this, as Michael Ward also makes clear. In spite of some efforts in the 1960s by UNRISD, social indicators were considerably neglected by the UN until the last decade or two.

3. In the 1960s came the Development Decade and more or less the first development goals, first proposed in 1961, it should be remembered, by President Kennedy – like so many other UN innovations, a US initiative. Over the years, the UN has proposed and agreed some 50 development goals in terms of quantitative and time bound targets. There are some interesting lessons from these, worth emphasizing in the context of UN reform:
  - Most goals achieved considerable success – in the sense that the goal was achieved by a considerable number of countries and by more or less the target date.
  - Three goals were more or less completely achieved – notably the eradication of small pox 1966-77, the reduction of infant mortality in Failure of fulfilment of the ODA goal by all but 5 of the 24 DAC donors
  - Consistent opposition to goals by the BW institutions, until the mid 1990s, when in 1996 DAC issued Shaping the 21<sup>st</sup> Century: the Contribution of Development Cooperation. Recall in the 1980s, the Structural Adjustment Programmes so strongly supported by the BW, focused on inflation, cutting deficits, shrinking the public sector – all goals related to the *means* of recovery, not on outcome measures, except for economic growth.
4. I have not got time to mention many of the other areas where the UN has made pioneering contributions – though I must at least remind you that it was the UN which first argued for and then set the 0.7 per cent aid target, pioneered new approaches to employment including the informal sector in the 1970s, created the category of least developed countries, pressed internationally for debt and debt swaps, long before they became acceptable to the Bretton Woods Institutions, Promoted the concept to AWHF – not just UNICEF, but also ECA with its AAF-SAP (African Alternative Framework for

Structural Adjustment Policies) and ILOs work in the mid 1980s, until the ILO was threatened with the withdrawal of funds. And of course, UNDPs work on the Human Development Report, which has provided a frame which combines human development, human rights and human security. Almost from the beginning, the UN has undertaken analysis on disarmament and development, exploring a field much neglected in development studies in general and consistently ignored by the Bretton Woods Institutions as too sensitive until after the Cold War.

I must end: why is it so important for the UN, all institutions of the UN, to have the capacity to think? I hope I have already answered the question - by underlining the many areas and many respects in which the UN over the years has made major and pioneering contributions. Let me summarize the specific reasons for giving attention to this in the future and as part of UN reform – indeed, more attention than is being given to it at present:

- The UN has, over its whole life, demonstrated capacity to make major and important intellectual contributions – many “ahead of the curve”.
- A major reason for this is that the UN’s development work tends to be multi-disciplinary, sensitive to thinking and ideas from different regions of the world, heavily influenced by a diversity of field involvements, pragmatic in analytical frame rather than embedded in neo-classical economic orthodoxy.
- The UN’s analytical work tends to have legitimacy and credibility with the third world, in part because of the above factors.
- Many of the UN’s reports are well promoted and have considerable outreach – UNDP’s Human Development Report, UNICEF State of the World Children’s report, UNCTAD’s reports on trade and development and on the least developed countries, EFAD’s reports on poverty and agricultural, and so forth. These are all reports which cannot be accused of simply gathering dust on the shelves.

- And finally, the competition in ideas is vital. Many of the UN contributions has been made in response to Bretton Woods or narrow government ideas, often initially opposed or ignored but later taken up as matters of global consensus and even priority. This is true of the Millennium Development Goals, the Poverty Reduction Strategy Papers – even the need for a broader approach to adjustment policies.