

**Some Thoughts Drawn from History for the
High-level Panel on UN System-wide Coherence in the Areas of Development,
Humanitarian Assistance, and the Environment**

Louis Emmerij and Richard Jolly**

The terms of reference of the Coherence Panel (“Panel” from now on) include supporting ongoing reforms for building a more effective, coherent and better-performing UN country presence, and strengthening the management and coordination of United Nations operational activities. Such work must be focused on ensuring that the UN maximizes its contribution to achieving internationally agreed development goals, including the Millennium Development Goals (MDGs), and also including proposals for “more tightly managed entities” in the field of the environment, humanitarian assistance, and development. While emphasis is on the country level, UN Headquarters must also be examined. In short, the Panel must concentrate on management, coordination, cohesion, and greater efficiency of the system, both at the level of Headquarters and the field.

The United Nations Intellectual History Project (UNIHP) is an independent initiative to document the ideas launched by the UN system, mainly in the area of economic and social development, but also considering several issues with relevance for peace and security. The Project is based at the Ralph Bunche Institute of the Graduate Center of the City University of New York. Its main products are books and oral history interviews. To date eight volumes have been published (by Indiana University Press) with seven more to come. The oral history component of the project comprises in depth interviews with 76 personalities who have played a role in the creation (or the suppression!) of ideas in the UN. One of the published books *UN Voices: The Struggle for Development and Social Justice* contains selections from these interviews.¹ A short summary book of the UNIHP results so far has also been published and is attached.²

This note has been prepared at the request of both the UN Deputy Secretary-General and the Panel and draws partially on the published work of UNIHP as well as on work in progress. It also reflects the personal views of the authors and draws on their own half century of involvement to these issues. As the above summaries of the terms of reference indicate, the Panel is more focused on *institutions* while UNIHP is more concerned with *ideas* that are produced by these institutions. What the authors of this short note must, therefore, do is to examine the link between creativity on the one hand and the institutional framework and structure of the UN on the other. This note will proceed by answering a certain number of questions that the Panel must or should have in mind.

1- How Does the UN Record in the Economic and Social Arena Compare to the Bretton Woods Institutions?

It is important to stress at the outset that the results to date of our history call into question much conventional wisdom about UN work in the economic and social development field. This refers specifically to assertions suggesting that UN activities have been ineffective, ideological, and low quality, especially compared to the contributions of the Bretton Wood institutions. UNIHP studies and interviews have certainly identified areas where the UN has slipped in recent years, just like the World Bank or the IMF, and where improvements are needed. Notwithstanding, examination of the record makes clear that the UN has been more pioneering and successful in economic and social development questions than often realized

** Co-directors of the United Nations Intellectual History Project. They are grateful to the other co-director, Thomas G. Weiss, for his comments.

¹ Thomas G. Weiss, Tatiana Carayannis, Louis Emmerij, and Richard Jolly, *UN Voices: The Struggle for Development and Social Justice* (Bloomington: Indiana University Press, 2005).

² Richard Jolly, Louis Emmerij, and Thomas G. Weiss, *The Power of UN Ideas: Lessons from the First 60 Years*, UNIHP, 2005.

or acknowledged. The following examples are elaborated in more detail in the attached booklet, *The Power of UN Ideas*:

- 1- The UN has made truly pioneering contributions in a number of key economic areas. These include the analysis of global inequalities in trading relationships (the secular decline of the terms of trade of developing countries), the analysis of employment issues leading to important adaptations in development strategies and policies (UNRISD unified approach, ILO basic needs strategy, UN work on inequalities). The UN has also led the way in work on national accounts and statistics, in drawing attention to rapid population growth, in stimulating worldwide action on gender and on children, in making important breakthroughs in environmental matters, and so on. As early as 1979, the UN identified the debt problem and made proposals for action to stem the tide in timely fashion. When nobody listened – including in the Bretton Woods institutions - the UN became an early advocate of debt relief for the poorest countries. In many cases, like in the one just mentioned, UN policy proposals, based on serious research, were initially dismissed or sidelined – only to be accepted and taken up some years later. This was also the case with its work in the 1980s on *adjustment with a human face*, and at the end of the 1980s with more *gradual policies* for the transition economies stressing that institutional reform that is required for a market-based system must come first.
- 2- The UN work and policy conclusions have often been well ahead of the Bretton Woods institutions, and have sometimes been opposed by them, at least initially. This was true in the 1950s for the UN proposals regarding concessional loans for poorer countries (the SUNFED discussions) opposed by the World Bank for a decade until the creation of the International Development Association (IDA) as part of the Bretton Woods institutions. It was true in the late 1960s and 1970s for special support in favor of least developed countries, and in the 1980s for broader approaches to structural adjustment, and in the 1990s for more attention to building market institutions and protecting social services in the transition economies.
- 3- The UN has been the pioneer in establishing links between human rights and economic development, initially in the area of women and development, and later with children and development. The UN has also been instrumental in putting environmental issues in the overall development framework. Moreover, UN funds have taken a lead in *rights based programming*, notably UNICEF, UNFPA, and UNIFEM. This leadership has generated a remarkable and most positive response from civil society, both in developed and developing countries. This is reflected in strong worldwide support for these agencies and, in the case of UNICEF and UNIFEM, strong support within the United States as well.
- 4- Beginning in 1990, UNDP Human Development Reports have provided a pioneering and effective frame of analysis and action for integrating human rights and human development in ways that have made a significant impact on public thinking. The Human Development Index (HDI) and associated indices are widely quoted in the media and served to strengthen general support for poverty reduction and the human dimensions of development before these became a global consensus. It is not without interest to underline that work on social development indicators was developed in the 1960s and 1970s by UNRISD. Today, the Human Development Reports compare favorably with the World Development Reports of the World Bank in terms of ideas and policy suggestions--sometimes receiving more attention in the media.
- 5- UN work in these and other areas has been of higher professional quality than is often realized. This is reflected in the under-emphasized fact that 10 Nobel laureates in economics have worked in or closely associated with the UN over the years. These include Jan Tinbergen, the first winner of the Prize in 1969, Arthur Lewis, the first laureate from a developing country, and Amartya Sen, one of the more recent winners.
- 6- In conclusion, if the work of the Panel results *de facto* or by intention in a shift of macro-economic development issues to the Bretton Woods institutions, leaving the UN with “niche issues” only, then the historical record suggests that this would be a serious mistake. Even if this fear is unjustified, one must still be aware of heavy-handed attempts to ensure coherence between policy recommendations from the Bretton Woods institutions and those from the UN. This could suppress important elements of policy dialogue. Just as national democracies need to maintain a healthy debate on economic and financial policy, so such a debate is of the essence within the international community. Experience in the 1980s and 1990s is indicative of the fact that airing of differences internationally led to improvements in the process of adjustment policies, even if it took some time.

2- *What is the Present Situation with Respect to Cohesion within the UN?*

The MDGs – an integral part of the Panel’s terms of reference – today command an international consensus, including within the UN family of organizations. This is an impressive advance. It must be noted, however, that UN agencies have themselves nearly fifty years of experience in adopting and promoting development goals and have often made them central to their field operations.

The historical record of implementing development goals is also better than is often realized. Altogether about 50 quantitative and time-bound goals have been set by the UN since 1960. Most of these have been partly or considerably achieved. Examples are:

-] The education goals set by UNESCO and the subsequent acceleration of educational expansion in the 1960s and 1970
-] The eradication of smallpox between 1966 and 1977, led by WHO.
-] The reduction of child mortality (led by UNICEF together with WHO, and others) in the 1980s, in spite of the fact that in terms of economic growth this was in many regards a “lost decade” for most of the poorest countries and Latin America.
-] One of the great failures has been the 0.7 percent target for development cooperation.

The Millennium Summit, the Millennium Declaration, and the MDGs are in the direct line of these earlier initiatives and have built on them. However, the global consensus behind the MDGs is new and unprecedented. Until the mid-1990s, the World Bank and the IMF largely resisted global goals for development outcomes. They looked at the economic situation country by country. Their adjustment programs of the 1980s and 1990s focused on economic management goals of reducing inflation and restoring balance in budgets and foreign transactions. The acceleration of economic growth was an outcome goal, though it was rarely achieved, and was in any case only an indirect indicator of the human situation.

Three important conclusions could be drawn for the Panel’s deliberations:

- 1- In terms of coherence in the area of economic and social development, the international community has now reached a level of coherence and consensus with respect to development objectives that is totally unprecedented in comparison with any period over the last sixty years – indeed in history.
- 2- It is the UN, especially its funds and agencies, which have led the way by analysis, example, and public mobilization. Ideas have been among the most important of UN contributions as well as the mobilization of public awareness and support around them. This is true in matters of the environment, population, women, and children, and of the need for macroeconomic and social changes as well as a global response in situations of conflict and emergency.
- 3- That the present consensus includes the Bretton Woods institutions is noteworthy and equally unprecedented. The role of these institutions in the 1980s and 1990s was, in a real sense, to achieve coherence in national and international economic and financial policies using structural adjustment policies to this end. Though somewhat modified later, these policies were initially driven by a Washington Consensus, narrowly economic, neglecting education, health, and nutrition, weakening government structures, and overwhelmingly driven by conditionalities. The UN had little to do with the devising of structural adjustment policies and, indeed, should be criticized for not having taken a stronger stand against them. The main exceptions here were, as mentioned earlier, the UNICEF reaction in its publication *Adjustment with a Human Face* and the Economic Commission for Africa. The Bretton Woods policies never formed or attracted a truly global consensus. Coherence in these decades was driven by industrial countries and donor agencies – usually dogmatic and often a disaster. One must be cautious that the present search for coherence is built on a truly global consensus of developed and developing countries alike. That has now been achieved around the MDGs, at least as goals but not always in the means to achieve them.

3- *What Does the UN History Suggest about Previous Efforts of Reform?*

The wish to develop one common funding system was a major hope and recommendation of the 1969 so-called Jackson *Capacity Study*. This was never achieved. This failure was explained much later by Margaret Joan Anstee, a co-author of the report and herself then in favor of greater centralization. In her auto-biography she says: “One sobering lesson of the Capacity Study is that across-the-board reform cannot work, because by the time all member states have agreed a compromise, reflecting the least common denominator of their respective interests, the end result is... a dog’s breakfast. The only way forward is through specific major changes that will have a multiplier effect.” Even the attempt to use UNDP for distributing funds to the specialized agencies during the 1970s and 1980s became more of a source of friction than of coordination. On the other hand, UN funds like UNICEF, UNFPA, and UNIFEM have attracted strong and expanding support from a variety of donors--and, in the case of UNICEF, of individuals and national committees—for raising funding directly for their agency. It would seem dangerously risky in these circumstances to attempt to move to a single funding system. It is far from clear, for example, that the 500 million dollars of voluntary contributions raised in 2005 for UNICEF from the public at large would be forthcoming for a more general UN fund.

It is clear that reforms within the UN system are wanted and needed. Occasional shake-ups are a must in any organization. However, it is not clear that the priorities that are presently being pressed by certain donor governments – the creation of three super-organizations, for instance, about which more below – are the right ones. For example, the UN funds have already undertaken many internal and inter-agency reforms, more than the specialized agencies. A considerable degree of coherence in objectives and system has already been achieved, both at the level of headquarters and in the field. And by the way, they also have by far the highest proportion of their staff located full-time in developing countries, over 80 percent in the case of UNDP and UNICEF.

Although coherence is an important objective, it is far from clear that there is one single magic formula here, like creating three entities, one for development, one for humanitarian affairs, and one for the environment. The UN pioneered in 1972 the idea that environmental matters must be linked to development, not treated or pursued separately, a view strongly endorsed at the Earth Summit in Rio in 1992. Similarly, the World Food Programme (WFP) and UNICEF have long pursued programs for emergencies that treat development issues as integral parts of emergency support, so as increasingly to combine development concerns with emergency and humanitarian action. It would be a step backward to unpack these carefully integrated systems that have taken over twenty years to put together.

Coherence between the UN programs, funds, and specialized agencies is also, and maybe above all, a matter of coherence and coordination within governments, especially of donor governments. It has long been recognized within the UN and outside that this is a critical area where coordination and coherence is lacking. This now needs to be tackled if UN reform is to be taken seriously.

As regards recipient governments, specific attention should be given to the reasons why many developing countries express doubts about present efforts to press for greater coherence. This is significant since most of the pressure for more coherence is coming from the donor countries. In the past many developing countries have argued that coherence and coordination of UN and donor programs in their own countries is a matter of domestic policy – and for them alone to decide. Coherence and coordination is often seen as a means of “donors ganging up” and during the period of structural adjustment in the 1980s there was much truth in this.

Coordination and coherence have their costs, for the UN, for donor, and for recipient governments. Coordination can be time and resources consuming. And also frustrating. Coordination can easily become an aim in itself instead of a means to make development efforts more effective. Field experience shows that it is often difficult to achieve constructive coordination of UN organizations in general. However, sector coordination among UN organizations, bilateral donors, and NGOs with the relevant authorities in the country concerned can be effective. These issues must be addressed. Few studies have been undertaken of such costs—an important area for future research.

4- *Many Organizations or a Few Only? Is Small Less Creative? Is Big more Cost-effective?*

The terms of reference of the Panel refer to “tight management, coordination, coherence, and greater efficiency.” It is of course free to interpret these as it wishes. However, given the pressures of which we are aware, the question must be asked whether it makes sense for the UN to merge all its organizations into three “super-organizations” which would then supposedly be more creative, more tightly managed, more efficient, and more cost-effective. The historical record reveals a number of examples that throw light on these questions.

- 1- There is a long history of the developed countries trying to close down various agencies of the UN: UNICEF in 1951, each of the five Regional Commissions at one time or another, UNCTAD in the 1980s and 1990s, INSTRAW in the 1990s, etc. These attempts were mostly driven by political agendas rather than by efficiency or management considerations and were usually mistaken, judged by subsequent performance and contributions.
- 2- The developed countries have often presented their objectives as to avoid duplication and overlap. This approach has often been opposed by developing countries that wished to retain institutions that they feel are useful to them and over which they feel to have some control. The UN History shows that it has often been the developed countries that have created overlapping institutions. The history of the UN Economic Commission for Europe illustrates that point. When the Marshall Plan was being established some argued that the ECE was ideally placed to serve as the secretariat. This did not prevent the developed countries setting up OEEC-OECD instead. Gunnar Myrdal, the distinguished Executive Secretary of the ECE was bitterly disappointed. In 1989, history repeated itself. The industrial countries set up a new Centre for Cooperation with European Countries in Transition, instead of using the ECE that had over 40 years of experience in this area and whose role had the support of Willy Brandt and of the distinguished American economist Walt Rostow.
- 3- In fact, some duplication and overlap are not always counterproductive. In the private sector this would be welcomed as ways to enhance competition. The true test in international agencies is whether each adds value.
- 4- Nor is super-size always to be welcomed. Small can be beautiful, creative, and can lead to a clearer focus. This is demonstrated by some of the smaller UN specialized agencies like UPU, ITU, or IAEA and WMO. It is also true for some of the economic research units like WIDER and UNRISD.³ Mergers in the private sector are not always a success. They can be a true disaster as was the case with the AOL-Time/Warner merger. Other criteria beside size - like leadership and recruitment policies - enter the equation and should be made explicit and included in the analysis.
- 5- The process of pushing reform in the UN can lead to contradictory results when subjected to the negotiations necessary to reach agreement with all UN members. The Nordic reforms of the 1990s were intended to tighten management of the Boards of UNDP, UNICEF, WFP, and UNFPA. In the end, the Boards were reduced in size from 41 to 36 members in three of these funds and increased from 31 to 36 in the fourth. Moreover, that reform, like so many others, had unanticipated side-effects. The frequency of the Board meetings was increased, but in a way which often sidelined the participation of many NGOs, attracted lower level government representation, and often resulted in the discussion of bureaucratic rather than more general policy and development issues.

There is no evidence that “big” is more cost-effective and is more tightly managed than “small”. Nor does it appear that there is any correlation between size and creativity. If there is any it seems to be rather on the side of “small”. Duplication is not necessarily a bad thing, just as competition is generally seen as a positive force. There are also the “uninvited guests” – to borrow a phrase from Jean Fourastie – the unanticipated side effects, of any reform. It would appear from our work on the Intellectual History that leadership and recruitment policies are more important than size.

³ For reasons why small institutions like WIDER and UNRISD are creative, see the publication in the UNIHP series, John Toye and Richard Toye, *The UN and Global Political Economy: Trade, Finance, and Development*, Indiana University Press, pp. 297-98.

5- *What Does the UN History Suggest Are Important and Inexpensive Reform Measures?*

The UN is sixty years old. It has become an organization that needs a shot in the arm. It needs more vitality rather than bigger bureaucracy, leadership at all levels rather than just “tighter management,” creativity even more than cohesion. Specific measures are required to strengthen these aspects in the immediate future. Concrete examples emerging from UNIHP include six steps. These are reforms that do not need official approval by member states, nor do they require additional resources. They will, however, require vision, courage, and leadership.

- 1- The recognition by all parts of the UN system that contributions to ideas, thinking, analysis, and monitoring must be a major part of the work of the funds as well as of the specialized agencies and of the UN’s secretariat.
- 2- To this end, the UN needs to foster an environment that encourages and rewards creative thinking of the highest intellectual quality. This has implications for recruitment and promotion. The quality of staff is essential. There can be no compromise in ensuring the highest standards of competence. Recent reform discussions have talked about removing dead wood, not much about planting new saplings.
- 3- The strengthening of country level programming is the crucial step towards greater coherence. The programs of all parts of the UN – funds and specialized agencies – should be brought into these, with a strong but not exclusive focus on the MDGs and sector coordination. Leadership is needed to produce such programs, but it should be creative and outgoing, not bureaucratic and controlling.
- 4- The mobilization of more financial support for such programming, research and analysis, including global, regional and country level policy exploration and experimentation, is a top priority. The terms of providing such resources are of special importance – to ensure longer-term availability and flexibility and, more important, to guarantee intellectual autonomy.
- 5- Strengthening the means to disseminate new ideas is equally important. UN outreach with a core of key reports is sometimes impressive. But too many reports remain unread. And there is too little emphasis on learning by doing. Discussion should take place not only in intergovernmental circles, but also with governments face to face, and among such diverse constituencies as business, the media, and members of civil society.
- 6- A crucial intellectual challenge is improving relations between the UN and the Bretton Wood institutions in order to encourage exchanges of ideas and experience. A better balance in the allocation of resources between them is of the essence, for programs as well for contributions to policy and research. Now that there is a consensus around the MDGs, these challenges are both more important and stand a better chance to be taken up. The UN funds and agencies have a rich diversity of country and field experience in following up and supporting goals. Much of this experience involves approaches which are lower cost and more effective than those supported by the Bretton Woods Institutions.

6- *Epilogue*

There are at least three catch-22 problems that may arise which the Panel should anticipate.

- 1- One object of reform is said to be to ease the burden of recipient developing countries in coping with a large number of UN agencies, donor agencies, and NGOs. In practice, how much will this burden for developing countries be reduced if donor agencies and NGOs continue with their separate ways and if only the UN funds become “more tightly managed”?
- 2- Another is to ease the burden of donor countries to channel their financial flows to a limited number of UN organizations. In practice, will the financing of the UN be eased if there are only three super-organizations and the recognition of many UN funds will have vanished?
- 3- ‘Smaller’, more focused and with sharper public recognition may well be better than ‘bigger’ and more centralized. Even some conscious overlap and competition may be better than bureaucracy and monopolistic behavior when it comes to vision, creativity, ideas and public support. But is the same true when it comes to delivery of services at the country level?

A possible way out of these catch-22 problems is for the Panel to strike a compromise between 'small' and 'big' and to consolidate to a certain extent, particularly in view of efficient and effective delivery of services in the field.

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