International Approaches to Development
The United Nations and Its Limits

by Jacques Fomerand

The challenges of the post–cold war era—regional conflicts, civil wars, poverty, threats to the environment, and an increasingly globalized and differentiated world economy—underscore the necessity of international cooperation in the forthcoming decades. In fact, the potential range of possible UN interventions in the fields of sustainable economic development and the promotion of human rights and social welfare is virtually unlimited. Sobering realities, however, point to the need for more prudential expectations.

One such consideration relates to the resources available to the organization. They are by no means negligible. The budget of the United Nations for 2001–2002 slightly exceeds $2.5 billion, a rather astonishing figure when compared to the $27 million budget voted by the General Assembly in 1946. Total UN technical cooperation assistance delivered in 1998 amounted to more than $5 billion, another remarkable figure in light of the fact that there is no specific injunction in the UN Charter mandating the organization to work in the technical cooperation field.1 In fact, the wide spectrum of current UN development activities, largely unanticipated in 1945, is testimony to the plasticity of the charter and to the capacity of the organization to adapt itself to its changing environment.

The Resource Gap

Yet, in relative terms, the UN’s allocations seem inadequate to the tasks at hand. With 188 member states, its budget for the next biennium provides $268 million for international cooperation and development, $347 million for activities of the regional commissions, and $123 million for human rights activities.2 In contrast, the twenty-nine member states of the Organisation for Economic Co-operation and Development (OECD) now allocate some $55 billion to development cooperation. The World Bank has loaned almost $400 billion since it started operations in 1946. In 1995, the International Monetary Fund (IMF) extended to Mexico a credit of nearly $18 billion and to Russia more than $6.2 billion. To contain and roll back the 1997 Asian financial crisis, the IMF committed about $35 billion to Indonesia, Korea, and Thailand. Since 1992, the fund has lent Russia close to $40 billion. Even more dwarfing are the flows of private finance to developing countries, which amounted to an estimated $166 billion in 1998.3

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The magnitude of the continuing challenges in developing areas further underlines the gap between resources and needs. Significant strides have been made in the past half-century throughout most developing regions. But these achievements—in large part attributable to the now much debunked “statist” developmental policies of the postwar decades—offer little ground for complacency. Poverty and deprivation remain the hallmark of life in developing regions. Approximately 1 to 1.3 billion people live in “absolute poverty”—that is to say, on less than a dollar a day. About one-fourth of the developing countries’ population is still chronically undernourished. Child mortality rates are ten times higher than in the North. One-third of the people living in the least developed of the developing countries are not expected to reach forty years of age. The number of adults who cannot either read or write today roughly remains equivalent to what it was in 1980 (877 million). One billion people still lack access to clean water, nearly two billion have no adequate sanitation, and two billion have yet to be reached by electric power. In addition, surging globalization of the world economy is leading to an increasing concentration of income resources and wealth. In this context, all indicators point to a world that is becoming more rather than less polarized, and a continuing and expanding North-South “economic apartheid” in the twenty-first century is not an unrealistic scenario. The process of globalization has also accelerated the development of a two-track global economy (which the OECD warned of more than a decade ago) by sharpening differences in economic performance between the “speedies” (countries with fast growth, such as the newly industrialized countries of Asia) and the “needies” (economies that are stagnating or regressing, as is the case in a large number of African countries).

The eradication of poverty and the acceleration of human development—no longer unreasonable objectives—do, of course, have a price tag. At the Rio Earth Summit in 1992, it was suggested that $125 billion in development assistance—effectively doubling total flows of official development assistance—would be necessary to supplement, each year, domestic resources for the implementation of Agenda 21, a broad plan of action adopted at the 1992 Rio conference defining norms and principles for a wide range of environmental and development issues. Similarly, the Cairo Conference on Population and Development in 1994 determined that making health and family planning universally accessible in 2015 would require an estimated $17 billion for the year 2000 and more than $21 billion per year by 2015, thus implying a more than threefold increase in international population assistance levels. The 1998 Human Development Report estimates that the additional annual investment cost to achieve basic social services for all would amount to approximately $40 billion ($6 billion for education, $9 billion for water and sanitation, $12 billion for reproductive health, and $13 billion for basic health and nutrition).

At the same time, the resources available for development cooperation are decreasing. The pattern of “aid fatigue” already apparent in the 1980s has not slackened, as evidenced by the continuing shrinking of official development assistance (ODA) of the OECD countries, which as a percentage of GDP fell to 0.25% in 1996 and 0.22% in 1997, a drop of more than 20% from 1992 levels. In spite of some tentative signs of an upturn in ODA, the shortfalls have not been compensated for by

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international financial flows, the bulk of which, in any case, goes to the more dynamic economies of the developing world rather than needy low-income countries. On the bilateral level, the case of the United States, once the world’s leading lender, is a telling one. In 1956, the United States accounted for almost 63% of all foreign assistance in the world, against about 17% in 1993. U.S. ODA represented only 0.12% of GNP in 1996 and 0.08% in 1997.

Not surprisingly, the share of UN system development grants in declining total ODA has dropped in nominal terms, affecting virtually all UN voluntary programs. Thus, from a peak of $1.1 billion in 1992, the resources of the United Nations Development Programme (UNDP) plummeted to $740 million in 1998. Voluntary contributions to the United Nations Population Fund fell from $293 million in 1996 to $268 million in 1998. Funding for the World Food Programme shrunk from $1.7 billion in 1992 to $1.1 billion in 1998.

Under such circumstances, expectations about the developmental contributions of the United Nations—past, present, or future—cannot give rise to romantic flights of fancy. Hyperbolic statements about the “unique,” “central,” “critical,” and “leadership” role of the organization in international cooperation for development abound. The bare facts point to more prosaic realities, and it is perhaps not inopportune here to recall that no government ever seriously entertained the idea of designing an organization that would operate as or evolve into an independent institutional actor. Nor was it ever envisaged to endow the United Nations with “regulatory,” supranational, and autonomous decision-making powers in the field of development or the management of the world economy. Such powers, overshadowed by the political and economic weight of the United States, were in fact reserved, under strict conditions, for the Bretton Woods institutions. As a voluntary association of nation-states and pending the improbable coming of a transcendental political development, the function assigned to the United Nations was simply to act as a mechanism “placed at the disposal of states, which may use it for whatever purposes their agreements or their disagreements dictate.” There is no dearth of painful reminders—including the experience of the 1970s with Third World clamors for a New International Economic Order—underlining the fact that whenever the United Nations did venture too far beyond these boundaries, trouble immediately lurked on the horizon.

Expectations about the developmental contributions of the United Nations cannot give rise to romantic flights of fancy.

The key question to be asked about the UN’s developmental role is not so much what is permissible under the charter but rather what the member states—especially the major stakeholders—are ready to underwrite. Under these conditions, one may expect the organization to continue serving as a forum for the discussion and promotion of international cooperation for development. As the “town meeting of the world,” and political circumstances permitting, the United Nations may indeed act as a catalyst, a facilitator, or a conveyor in concert with national and international actors—regional bodies, nongovernmental organizations, civil-society entities—possibly con-
tributing thereby to greater coherence, complementarity, and coordination in eco-
nomic policymaking at the global level.

Within this broad framework, one can anticipate that the UN system will remain
actively involved in activities that could be labeled as “functionalist,” very much in
line with the thinking and expectations of the New Deal–conscious drafters of the
charter.15 After modest and slow beginnings, the United Nations is firmly saddled in
the business of technical assistance, now rechristened “capacity building.” In fact, the
range and diversity of UN operations (as well as their share in the organization’s ex-
penses) have grown exponentially as a result of the growing complexity of the activi-
ties—humanitarian assistance, rehabilitation, advocacy, and “postconflict peace build-
ing”—that the United Nations has been called upon in recent years to carry out in
support of peace. The process has posed—indeed, is posing—major challenges of a
conceptual, organizational, managerial, and administrative nature, and the response
of the system has infrequently risen much above its prevailing pattern of disjointed
incrementalism. But in spite of increasingly constraining, declining flows of multilat-
eral assistance, the demand for UN operational work is not lessening, and one may
expect the organization to deepen and sharpen its operational involvement in the
field.

**SETTING THE WORLD’S AGENDA**

Together, the components of the UN system—the specialized agencies, the IMF,
the World Bank, and the many funds and programs—gather, generate, develop, har-
monize, distill, analyze, and disseminate dizzying volumes of economic and social
information about such varied subjects as statistics, civil aviation, health, intellectual
property, telecommunications, trade and shipping, population, and social questions.
This steady stream of data compilation and analytical work is another important
service that the organization will continue to provide to the international commu-
nity. Its significance cannot be underestimated, as it constitutes the basis for the de-
velopment, maintenance, and progressive expansion of technical standards, rules, and
regimes, which have made possible and sustained the expansion of international eco-
nomic and commercial transactions. Examples of such unexciting and unheralded
but indispensable “public goods” produced by the UN include the development of a
common language with regard to economic statistics by the UN Statistical Commissi-
on, the definition of labor standards and human rights programs by the Interna-
tional Labor Organization, the determination of criteria for pharmaceutical quality
by the World Health Organization, conventions and agreements negotiated in the
framework of the International Civil Aviation Organization regarding commercial
airline routes, appropriate practices concerning air navigation and border crossing
procedures, and so forth; the list is endless.16

Through its studies and reports, the United Nations has not infrequently drawn
the attention of the world community to emerging questions that required its atten-
tion. The very concept of development, which is hardly mentioned in the charter, is a
case in point. Strategic considerations linked to the cold war and the rise of Third
World countries in the international arena were unquestionably determinant factors in the growing involvement of the United Nations in development questions. But this political process was in no marginal way fed by the policy research work of distinguished economists in the Economic Commission for Latin America and the UN Secretariat.

The key question about the UN’s developmental role is not what is permissible under the charter but what member states are ready to underwrite.

Despite its limited resources, the UN system has often been out in front on issues pertaining to development. The censuses carried out by the Population Division of the UN Secretariat in the 1950s provided the first tangible evidence of the massive demographic explosion affecting the planet. Later, in the 1980s, the authors of the World Economic Survey were among the first to warn that developing countries had in fact become net exporters of capital. Citing history and the Great Depression to buttress their case, UN studies now warn about the double-edge sword of globalization, express doubts about the capacity of markets to meet societal expectations, and stress the need for policies promoting broad social concerns as a complement of free-market forces. For example, UNEP’s recently released *Global Environment Outlook 2000* focuses attention on the socio-economic and political underpinnings of environmental problems and warns that the “unsustainable progression of extremes of wealth and poverty (in the world) threatens the stability of the whole human system, and with it the global environment.”

In some cases, these “early warnings” have not gone unnoticed and have paved the way for agenda building. The UN global conferences held throughout the 1990s contributed to significant shifts in thinking, as they focused attention on the holistic nature of the development process. They also heightened interest as well as political concern for environmental protection and, most important, for societal concerns and the social impact of macroeconomic policies. Similar preoccupations underpin the more recent UN analyses of the vulnerability of developing countries and transitional economies to financial volatility and contagion. Calls for an international financial conference under the aegis of the United Nations—long resisted by major industrial countries—are no longer politically unrealistic.

Indeed, the Bretton Woods institutions have not been immune to the steadfast barrage of empirical data contradicting established practices and advocating alternative policies. For a long time, the UN has taken the position that some measures of debt relief for debtor developing countries are necessary, which the Baker and Brady plans made little room for. In June 1999, the Group of 7 major industrialized countries agreed in Cologne, Germany, to release the poorest highly indebted countries from debt servicing of up to $70 billion. Stung by repeated attacks on their much heralded but woefully inadequate 1996 debt relief initiative for the heavily indebted poor countries, the World Bank and the IMF have made public their intent to strengthen it. Both bodies now also acknowledge the necessity of social safety nets, as
the prime objective of development is not only the acceleration of growth in developing countries but also the alleviation and eradication of poverty. UNICEF criticisms of the IMF in the mid-1980s and advocacy of structural adjustment programs “with a human face” were a major step in that direction. The World Bank has gone further, apparently resurrecting John Maynard Keynes when it released in September 1999 a proposal for an international body to assist developing countries in managing commodity risk as part of an effort to reduce the impact of volatile price fluctuations in international commodity markets.

In other instances, UN efforts at early warning have remained inconclusive or proved to be altogether disappointing. Unquestionably, the UN global conferences of the 1990s provided the setting for an extension and broadening of the empirical and normative work initiated by the UN in the 1950s, which had emphasized the importance of structural factors in the development process. Some of the proposals emerging from these studies, such as the general system of preferences, were adopted by member states. Others, like the Common Fund of the United Nations Conference on Trade and Development (UNCTAD) or the Special United Nations Fund for Economic Development, fell into oblivion.

At the 1999 meeting of the World Economic Congress in Davos, Switzerland, UN secretary-general Kofi Annan proposed a global compact between the UN and the world business community, inviting the latter to promote universal norms in the areas of human rights, labor standards, and environmental practices. Although some major businesses and organizations, such as the International Chamber of Commerce, have endorsed the secretary-general’s initiative, it is too early to label it a success, especially in view of the decades-long history of adversarial and conflictual relations between the UN and the business community. Similarly, and notwithstanding the self-evident merits of the proposal, it is by no means sure that the international community will heed the secretary-general’s calls for preventive policies in the introduction to his latest report on the work of the organization or, more recently, at UNCTAD X, for a global New Deal and globalization with a human face.

CONCLUSION

Advocacy and norm-setting are an outgrowth of the universality of the UN. But the capacity of the organization to give its imprimatur over what is desirable and what is not is a function of its own legitimacy. While it is inevitable that certain member states may acquire a leadership role, it is of critical importance that the normative actions of the UN reflect as wide a political consensus as possible. The organization cannot become hostage to any single state or group of states without losing its credibility. In that context, the gyrations of the UN from a commitment to a politically bankrupt “New International Economic Order” to the currently prevailing but increasingly questioned “Washington consensus” are a painful but necessary reminder that there are very sharp disagreements among member states as to the scope of UN authority, its mandated functions, and the breadth and modalities of its actions in the development field. The politically charged issue of a “North-South gap” for all prac-
tical purposes is off the international agenda. But it has not vanished, as only a handful of Southern countries can be said to be catching up economically with the North. There is not even consensus over the meaning of the concept of development. The protracted negotiations over a UN “agenda for development” did little to clarify the relative importance, on the one hand, of sustainable development, which includes good governance, human rights, and environmental protection and has the support of industrial countries, first and foremost the United States; and, on the other hand, sustainable economic growth, which developing countries see as a necessary precondition to development while considering such subjects as the environment, good governance, and human rights as yet new forms of conditionality imposed on them by the North. Likewise, the relationship between the UN and the Bretton Woods institutions, not to mention the policymaking role of the General Assembly and its jurisdiction over the rest of the system, remains an intractable source of contention between North and South. Current efforts to link human rights and development are also likely to place the UN on a collision course with some of its main stakeholders. In a vote on the question of a “right to development” in 1998, American representatives rejected the notion that “international macroeconomic policy making, globalization and debt relief are proper subjects for consideration in the various UN human rights fora.”

The UN’s development work is evolving between the high ground of moral principles and values and the numbing realities of political power.

The writing is on the wall. The United Nations may promote “capacity building,” may encourage the development of functional regimes, and may produce studies and analyses leading to advice and advocacy. In the final analysis, though, none of these developmental functions can or, for that matter, should be taken for granted. Between the high ground of moral principles and values and the numbing realities of political power, the UN’s developmental work for the past fifty years has evolved on a winding and tortuous road. Progress has often followed a cycle of regression and renewal. “International organization” is indeed a process, and an eminently political one at that, with all the contradictions and inconsistencies that this entails. For that reason, those who see the process as a unilinear one, either ascending or descending, are simply mistaken. Equally wrong are those who lambaste the organization as a bullying “nanny” or as an impotent mirror of world divisions. Perhaps this leaves little space to an organization seemingly composed of nagging siblings reminding each other of wrongs and rights. But if acting as the world’s conscience has not overcome all the obstacles in the path to more widespread economic development, it has certainly helped shape a world that is somewhat farther along that path than it was fifty years ago. In that sense, the United Nations, while remaining an instrument of national policies, can also rise above the fray of politics and act as an indispensable mechanism for the collective legitimization of new norms, standards, and principles of universal application.
Notes

1 Data on UN technical cooperation expenditures can be found in “Information on United Nations system regular and extrabudgetary Technical Cooperation Expenditures,” UN Doc. DP/1999/35/Add. 1, July 26, 1999.


5 The statistical data are drawn from various issues of the World Bank’s World Development Report and the UNDP’s Human Development Report.


10 Ibid.


18 The Baker and Brady plans were two American initiatives seeking to come to terms with Third World indebtedness through growth-oriented debt restructuring arrangements rather than through IMF-inspired structural adjustment policies. The 1985 “Program for Sustained Growth” proposed by U.S. treasury secretary Baker involved new lending packages for debtors. The effort failed mainly because the proposal offered only $20 billion in additional financing to offset a $350 billion debt. The 1989 Brady Plan, named for the U.S. treasury secretary, did recognize the need for explicit, albeit limited, reductions, as it allowed debtor countries to buy back part of their outstanding debt at a discount or to convert it into securities with lower interest obligations or a reduced face value.

19 For example, see “Report of G-7 Finance Ministers on the Cologne Debt Initiative to the Cologne Economic Summit, Cologne, 18–20 June 1999” (available online: http://www.colosseum.cz/archiv/clanky/c990624e.htm).


26 A set of economic prescriptions supported by the IMF and World Bank that has become the prevailing “conventional wisdom” about ways and means to promote the development of developing countries, and that calls for reliance on the market rather than the state. Typical measures advocated within the framework of the Washington consensus include a shift away from import substitution to open trade policies, the deregulation of financial markets for the promotion of foreign direct investment, and the privatization of state-owned enterprises.
