

## Cato Institute Policy Analysis No. 253: A Miasma of Corruption: The United Nations at 50

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### Executive Summary

The United Nations is under increasing attack by critics in the United States and other countries. At the heart of the organization's mounting problems is an almost total lack of accountability, which gives rise to suspicions of wholesale corruption. Existing evidence indicates that corruption and mismanagement go beyond the routine fraud, waste, and abuse of resources that mark all public-sector enterprises.

UN budgets are shrouded in secrecy, and the actual performance of the myriad bureaucracies is translucent, if not opaque. There is no reliable way to determine whether the various and often competing specialized agencies (at least two dozen UN agencies are involved in food and agricultural policy) are doing their jobs, and many UN activities, even if they are of some value, can be carried out better and more efficiently by other groups. Other activities should not be undertaken at all.

Available evidence coupled with the United Nations' unwillingness to undergo a thorough audit raise serious questions about its mission and the means used to carry it out. Secretary General Boutros Boutros-Ghali's rationale that the world body is accountable to all its 185 member-states is meaningless. Such an amorphous standard of accountability is akin to saying no one is responsible.

The United Nations is in dire need of reform, starting with a comprehensive, independent audit. Even if a complete audit were performed, however, there is no guarantee anything would be done about the problems identified. And radical change may not be possible, no matter how obvious the need. Given all the earlier, failed attempts to put things right, even on a limited basis, optimism about meaningful reform may be an exercise in wishful thinking.

### Introduction

The United Nations' 50th birthday came and went this past year, and while some people treated the event as a celebration, others were far less enthusiastic. Indeed, there was decidedly more derision than congratulation in the United States. That would have seemed odd only a few years ago. Few in the attentive public then thought the United Nations was in need of serious, much less radical, reform. To the contrary, with the end of the Cold War, most Americans, especially members of the opinion-shaping elites, regarded the United Nations as more relevant than ever. By the organization's golden anniversary, however, criticism was being expressed even by UN sympathizers in the Clinton administration, who view themselves as modern internationalists parrying the thrusts of uncouth Philistine isolationists. Suddenly, it seemed, critics of the United Nations were no longer confined to the flat-earth faction of the political right, which had long considered the body a world government in the making. The recent relatively mild critiques from the foreign policy establishment, though, are woefully overdue and understated.

An increasing center of frustration with UN failures can be found in the U.S. Congress. Some members have even called for U.S. withdrawal from the world body and the expulsion of the organization from its New York City headquarters. And the arguments of the abolitionists are getting a respectful hearing from the mainstream press.<sup>[1]</sup>

An American withdrawal would almost certainly mean the collapse of the United Nations. Without the generous, if unwilling, support of U.S. taxpayers, the United Nations would face imminent financial ruin. A decision to leave the world body may still be a decade or so away, but disgust with the United Nations is growing, not receding. Recent and expensive peacekeeping failures in Angola, Cambodia, Bosnia, and Somalia have greatly fueled the discontent.<sup>[2]</sup>

The Clinton administration's early, naive hope that the United States could offload nettlesome foreign conflicts on the United Nations--by sending American troops, who would serve under international command, to second that body's efforts--seems far more remote than the mere three years ago it was first suggested. But the rapid fading of the administration's early dreams is a measure of the current pessimism about the United Nations and its multitude of agencies that, with little rhyme or reason, have over the decades grown like "a coral reef," in the words of John Bolton, former assistant secretary of state for international organizations.<sup>[3]</sup>

Last June on the stage of San Francisco's War Memorial Opera House, distinguished speakers from around the world, including President Clinton, labored mightily to echo the hopes expressed for the United Nations by its founders in June 1945 at the organization's charter-signing ceremony, attended by President Harry Truman. The anniversary efforts, however, fell flat. The contrast in rhetoric between the American presidents was instructive. Truman spoke glowingly of ending war through collective security, a hope anchored to the expectation of continuing the wartime alliance in perpetuity. In contrast, Clinton spoke defensively of reforming the middle-aged organization to fend off the "new isolationists" supposedly hungering for the kill. He did not even mention Bosnia, the United Nations' most recent and visible collective security mission.<sup>[4]</sup>

Reforming the United Nations, coupled with a less exalted vision of what it might usefully do in the next century, is now safely within the mainstream of American "informed" discussion of the world body. The prevailing assumption underlying much of the talk is that the organization is in trouble, but its problems are fixable: budgets and bureaucracies can be trimmed; waste, duplication, and fraud can be uncovered and eliminated; and finances can be put on a sounder basis. Moderate reformers also concede that peacekeeping missions need to be more carefully defined and that there should be less talk and more action, particularly in connection with humanitarian services. And what if such steps are not taken? Unfortunately, that question is rarely addressed.

Any prescriptions for measured reform may well be much too little and much, much too late. After all, as members of Congress on both sides of the aisle well know, previous attempts at correcting the United Nations' many failings have come largely to naught. The most significant congressional effort at overhaul was the so-called Kassebaum-Solomon amendment passed in 1985. That measure required the United States to reduce its 25 percent share of the general UN budget to 20 percent unless a weighted system of voting on budget matters was introduced in the General Assembly. The legislation did spark some attempts at cutting spending and reducing the number of top administrators, but in general the United Nations has ignored or evaded the clear purpose of Kassebaum-Solomon.<sup>[5]</sup>

Such a frustrating record suggests that the problems may be inherent and irredeemable rather than incidental and correctable. It also implies that the United Nations as constituted is so fundamentally corrupt that no redesign, no matter how clever the blueprint, would ever be carried out. Although that suspicion is not yet in the mainstream of debate, it deserves a careful hearing. But first we need to understand how the United Nations has gotten itself in the perhaps irreparable fix it is in.

### **The UN Family and How It Grew**

American Wilsonian internationalists saw the United Nations as a second--and perhaps final--chance to create a world body that would preserve the peace through collective security. President Wilson's plea for U.S. membership in the League of Nations--which he could have gotten with a few minor compromises with the Senate--was rebuffed by that body. Wilson's ideological heirs believed that the lack of U.S. participation was the league's fatal flaw, leading to its

ineffectiveness in dealing with the wave of aggression in the 1930s.

## **A Second Chance for Wilsonianism**

There is actually little evidence to support that contention.<sup>[6]</sup> Nevertheless, the Wilsonian analysis persuaded a generation of American policymakers and opinion makers that the lack of an effective world organization was the root cause of World War II. Moreover, with the arrival of the atomic age, creation of a capable global security organization seemed, not an exercise in idealism, but a stark need. Either a UN-based system of collective security would be forged by the wartime allies--large and small alike--or the planet's history would come to a swift and ugly end. To make sure that the latter would not happen, the UN Security Council--in effect, its five permanent members--was given the power to decide what measures should be taken in case of a threat to the peace. In contrast, the league's council could make recommendations for action that individual member states were free to ignore.<sup>[7]</sup>

Hopes for an effective United Nations became an early casualty of the Cold War. Any peace-preserving action could be stalled in the Security Council by a Soviet veto, while General Assembly resolutions passed under the aegis of the United States could be simply ignored by Moscow and its growing list of satellites.<sup>[8]</sup>

Nevertheless, the United States doggedly sought to use the organization whenever possible. Truman, for example, insisted on a UN role as a collective guarantor of the Korean peninsula's security. That was obtained, but only after a major diplomatic effort to persuade reluctant allies to join in the effort to repel North Korea's armed aggression in June 1950. (A fortuitous Soviet boycott of the Security Council prevented a veto of the UN "police action.") Later, when Stalin sent back his representative, the United States obtained what it needed to continue the mission through a constitutionally dubious Uniting for Peace resolution passed by the then-friendly General Assembly. Under that resolution, the General Assembly would assume the powers of the Security Council when the latter body was stymied by the veto of a permanent member.

## **The Transformation of UN Membership**

All of that, of course, was possible only because the United States enjoyed the support of a majority in the 51-member General Assembly. That margin vanished forever in the mid-1950s when a momentary thaw in U.S.-Soviet relations following the death of Stalin allowed the admission of 20 new members. Five years later the General Assembly had 82 members, nearly all former colonies of the European powers.<sup>[9]</sup> By 1970 the number had jumped yet again to 108; by 1980 it was 136; and by 1995 the General Assembly had a total of 185 member-states, each with one vote.

The vastly expanded General Assembly was soon dominated by non-Western states whose elites seldom shared the political culture of the democratic West, much less any belief in market economics. The new majority felt free to exercise its power by passing resolutions favorable to the Third World and its member-states' various pet projects. Although the Third World was hardly homogeneous, operating on an identical agenda, a mutually convenient system of logrolling soon came into being. For example, Arab states would vote for black African resolutions against South African apartheid, provided that the black African countries in turn voted against Israel when called upon to do so. All factions frequently voted against the United States, although they were seldom as harsh with the Soviet Union--as President John F. Kennedy discovered when the nonaligned states refused to condemn the USSR for resuming aboveground nuclear tests in September 1961.<sup>[10]</sup>

## **Placing Financial Burdens on the United States**

Nowhere was the power of the new majority in the General Assembly more evident than in the critical area of finance. In 1945 the United States was assessed 39.98 percent of the UN budget, while the poorest members were each assessed a minimum of 0.04 percent. Although the U.S. assessment eventually dropped to 25 percent for the general budget, that decline is not as large as the decline in America's share of global economic output. The U.S. share of the peacekeeping budget, which is usually larger than the general budget, remains 31 percent. The UN budget is actually three budgets: regular, peacekeeping, and voluntary contributions (which cover humanitarian and development programs). The total cost comes to some \$10.5 billion a year.<sup>[11]</sup> Moreover, the General Assembly's financial bias in

favor of Third World members has become more pronounced over the decades. The General Assembly reduced the assessment for poor states to 0.02 percent in 1973 and then cut it again to a minuscule 0.01 percent five years later.<sup>[12]</sup>

By 1992, 79 members were paying the minimum amount to the regular budget while another 9 were chipping in 0.02 percent. That meant that a majority of voting members in the General Assembly contributed less than 1 percent of the UN's general budget while just 14 members contributed 84 percent. A similar situation prevails with the peacekeeping budget.<sup>[13]</sup> That fundamental disconnect between power and the purse is the central factor in the corruption of the United Nations and has led to a proliferation of agencies, an oversized bureaucracy, and general irresponsibility.

### **From Swords into Plowshares into Jobs for the Boys**

There is no need for romanticism about the Third World. Those who saw those nations as poor and exploited--and therefore virtuous--were hopelessly out of touch with reality. Third World countries may be poor, but the elites that run them are decidedly not. Nor does their rule very often rest on the consent of the governed, even in theory. Although democratic rule has spread a bit in the post-Cold War era, the most dramatic gains for democracy have been in the former communist Second World and Latin America, which never quite fit into the tiers monde where Asian warlords feel comfortable rubbing shoulders with Middle Eastern and African military dictators at meetings of the Non-Aligned Movement and the UN General Assembly.

### **The Opaque Budgetary Process**

A kleptocratic culture of nonaccountability at home was easily transferred to the world body. How it was managed is less clearly understood. That is because UN budgetary procedures have for decades been covered by a shroud of obfuscation and secrecy--all unnecessary for an international organization that is supported in great part by American and Western taxpayers.

Two observers well versed in the ways of the United Nations summarize its budgetary process as follows:

A draft two-year program budget is proposed by the Secretary-General to the General Assembly. Prior to the Assembly's discussions, this draft budget is reviewed by the intergovernmental Committee for Program and Coordination and the 16-member expert Advisory Committee on Administrative and Budgetary Questions. Apprised of the comments and recommendations of these two bodies, the General Assembly and its Fifth (Administrative and Budgetary) Committee carry out an in-depth scrutiny of the budget, which goes through two readings in the Fifth Committee and one final reading in the plenary of the Assembly. A few years ago, formal agreement was reached by the General Assembly that the budget must be passed by consensus and cannot be adopted by a vote.<sup>[14]</sup>

The requirement for consensus supposedly cured the problem of the many poor members' arriving at a budget paid for by the few rich.

In reality, the above description of the budgetary process is more anatomical than physiological. By the time the budget is formally considered by the General Assembly, nearly all the decisions have been made within bodies dominated by the Third World majority. The Committee for Program and Coordination is a prime example of the problem. As a result of U.S. congressional pressure for reform of the UN's finances, that committee was established with 21 members in December 1986. It was supposed to give major donors a larger say on the budget. But within two years the membership expanded to 34, thereby once again giving the Third World states a dominant voice on budgetary questions. Moreover, there is scant evidence that the major contributors seek to exert much influence on the committee.

An equally serious problem is the opaqueness of the budget process itself.<sup>[15]</sup> Nowhere is that more evident than in the workings of the Advisory Committee on Administrative and Budgetary Questions, which for more than 20 years has been run by Conrad S. M. Mselle of Tanzania. According to New York Times correspondent Christopher Wren,

No outsider can explain how decisions get made because Mr. Mselle, who has no formal training in finance, convenes committee meetings behind closed doors. "This is not nuclear science, this is financial

stuff," a diplomat said. "There's no reason for it to operate in secrecy."<sup>[16]</sup>

Of course, there is a reason for that secrecy; it just does not happen to be a legitimate one. The secrecy allows Mselle to do pretty much what he wants with other people's money. That includes rewarding himself with a tax-free income of \$134,000 a year as well as a \$60,000 salary paid to what the New York Times euphemistically refers to as Mselle's "companion." The lack of transparency and accountability of the Advisory Committee's decisions, policies, and procedures is replicated throughout the United Nations.<sup>[17]</sup>

### **Bureaucracy Run Amok**

Since the Third World majority took control of the United Nations and its budget, total UN employment has ballooned from 1,500 to more than 50,000 worldwide. The latter figure does not include the nearly 10,000 consultants or the peacekeeping forces, which at their height in 1993 numbered some 80,000. No exact figure on total employment including consultants--the hiring of consultants is a popular and much-abused practice at the United Nations--can be given. That is because until 1994 there was no central, computerized list of personnel. Even today there are no records of many appointments in the Secretariat.<sup>[18]</sup>

The personnel costs (including generous pension benefits) of that army of bureaucrats consume an estimated 70 percent or more of the UN operating budget. Given the lack of transparency, the percentage could be even higher. That leaves relatively few financial resources for the actual missions of the United Nations and its specialized agencies, including the organization's much-touted humanitarian programs.

The salary and benefits packages of UN employees based in New York City are incredibly lucrative. Statistics compiled in 1995 revealed that the average annual salary for a midlevel accountant at the United Nations was \$84,500. The salary for a comparable position in non-UN businesses and agencies was \$41,964. A UN computer analyst could expect to receive \$111,500 compared to \$56,836 paid counterparts outside the UN bureaucracy. An assistant secretary general received \$190,250; the mayor of New York City was paid \$130,000.<sup>[19]</sup> The raw figures do not convey the extent of the disparity, however, since the salaries of UN employees are free of all taxes. In addition to their bloated salaries, UN bureaucrats enjoy an array of costly perks, including monthly rent subsidies of up to \$3,800 and annual education grants (also tax-free) of \$12,675 per child. The UN pension program is so generous that entry-level staffers whose pay rises only as fast as inflation can retire in 30 years with \$1.8 million.<sup>[20]</sup>

But it is not numbers alone that should be of concern. There is the question of quality of personnel. Unlike the old League of Nations, the United Nations has never developed a well-trained international civil service. By nearly all accounts, a very few men and women struggle to do most of the real work. The rest are time servers whose sloth is reputed to be of mythic proportions. Secretary General Boutros-Ghali, shortly after assuming his post, remarked that until he acquired his present position he had thought the Egyptian bureaucracy was the most inefficient in the world. He was, he admitted, quite wrong. The secretary general also has estimated that perhaps half of the UN workforce does nothing useful.<sup>[21]</sup> Even when work is done, it is often unnecessary. For example, according to Richard Thornburgh, who once served as under secretary general, "In the Office of Conference Services where translation services are provided, we currently employ 500 secretary-stenographers who are given the responsibility of typing the dictated version of translated documents and returning them to the translators for editing and approval." Those positions, of course, could be eliminated entirely if the translators worked with word processors. The cost of that featherbedding is \$20 million a year.<sup>[22]</sup>

There is no mystery about the pervasive lack of efficiency. The bulk of UN employees worldwide are drawn from the Third World and the now-defunct Soviet bloc, although bureaucrats from the West certainly are not immune to the temptations of sloth. Many have no particular skills other than cultivating support from their sponsoring governments. Once they are inside the UN bureaucracy, it is virtually impossible to fire them. At best, a conscientious manager (there are a few) can force the lateral transfer of an especially unsatisfactory subordinate. Most managers, however, do not bother even making the attempt.

Given the current rules, it is nearly impossible to correct such problems. One reason is that, in blatant disregard of

sound management principles, the United Nations has no functioning system of personnel evaluation. Although employees are supposedly rated on their job performance, nearly everyone receives an excellent rating--some 90 percent, in fact, during a recent year--which makes evaluations virtually meaningless. All attempts to change that nonsystem of evaluation have failed--despite five separate efforts over the last two decades--and for good reason. Few within the United Nations want the appalling practice ended. Ending it would challenge the decades-old policy of corrupt hiring practices, which a majority of member-states have no interest in correcting since they directly benefit from the status quo.<sup>[23]</sup> An irresponsible, unaccountable bureaucracy that does not even meet minimal requirements for any professional civil service is the wellspring of many of the other evils that make the United Nations such a corrupt institution.

### **Waste, Fraud, and Abuse**

That brings us to the question of corruption narrowly defined, that is, the well-known unholy trinity of waste, fraud, and abuse. There is abundant anecdotal evidence of all three being committed within the UN system. For example, the UN Children's Fund lost perhaps \$10 million thanks to mismanagement in Kenya. Nearly \$4 million in cash was stolen outright at UN headquarters in Mogadishu, Somalia. And lest anyone think that such examples are confined to UN operations in Africa, consider this recent report from the New York Times:

Nearly \$497,000 earmarked for a two-week conference on the Sustainable Development of Small Island Developing States in Barbados last year included \$15,000 to fly in representatives of a "national liberation movement" recognized by the Organization of African Unity. In fact, the movement was Polisario from Western Sahara, a desert region conspicuously short of small islands.<sup>[24]</sup>

Examples from the corrupt culture of the United Nations could be multiplied almost endlessly, but that dreary record would still avoid the central questions: just how much waste, fraud, and abuse is there in the United Nations; and is it really no worse than in other public bureaucracies, as UN apologists often contend? As to the latter question, bureaucracies vary considerably in their honesty and effectiveness. Anyone comparing the efficiency and rectitude of Chad's public sector to Wisconsin's state government would come up with striking results. In any case, the United Nations, which purports to be the conscience of the international community, should be held to the highest ethical standards. It should at least be judged on the same basis as the bureaucracy of its predecessor, the League of Nations. On that basis, the comparison is extremely unfavorable.<sup>[25]</sup>

### **The Quest for an Inspector General**

The larger question of exactly how much corruption exists cannot be answered with precision for the simple reason that the United Nations has never been subjected or subjected itself to a thorough, top-to-bottom audit. The UN Secretariat's Internal Audit Division has long been a toothless lion. Its small staff has no jurisdiction over the autonomous agencies, and its powers over the Secretariat itself are minimal. The auditors rely totally on information supplied by managers; the guilty are never identified by name; and the results are kept confidential. It is no wonder that the Internal Audit Division usually discovers only the most petty fraud.<sup>[26]</sup>

Until last year, in fact, the United Nations lacked an inspector general's office, despite repeated urgings of supporters and critics alike. Moreover, the under secretary general for administration and management had been replaced seven times in eight years until Joseph Connor, a former Price Waterhouse executive, took over in mid-1994. Until Connor's appointment, the job had been held mostly by political appointees, many of whom were inherently disinterested in management. One of those officials spent most of his time in Namibia arranging its independence from South African control.<sup>[27]</sup>

### **The Thornburgh Report**

The rather obvious and much-needed appointment of a management specialist to the post came only after a steady drumbeat of criticism, in particular the March 1993 report of the then under secretary general for administration and management, former U.S. attorney general Richard Thornburgh. Thornburgh issued a report that advocated the establishment of an inspector general with real powers, because the existing auditing system under the General

Assembly's Joint Inspection Unit was found to be "totally lacking" in effectiveness. It was understaffed as well as a patronage "dump- ing ground" bent on such dubious projects as a \$4 million study on "Managing Works of Art in the United Nations." In other words, the Thornburgh report concluded that the Joint Inspection Unit was no better than the offices and agencies on which it was supposed to keep tabs.<sup>[28]</sup>

In its place, Thornburgh recommended creating a "strong" inspector general's office, "a common set of accounting principles and standards," a code of conduct that would "compel full financial disclosure by senior management" to prevent conflicts of interest, and an "overhaul of the performance evaluation process."<sup>[29]</sup> Incredibly, all of those elementary principles of sound management had been absent since the beginning of the United Nations.

Most of the sensible reforms proposed in the Thornburgh report have been ignored. One that could not be easily dodged, however, was appointment of an inspector general, an idea that quickly attracted interest in the increasingly frustrated U.S. Congress. Consequently, in 1995 a new unit under the secretary general, Internal Oversight Services, presided over by yet another under secretary general--German diplomat Karl Theodore Paschke--was established.<sup>[30]</sup>

### **Tepid Reform: The Appointment of an Inspector General**

The impetus for the decision to finally create an inspector general's office and appoint a director not controlled by the dominant Third World faction did not, of course, originate with the United Nations itself. Instead, in April 1994, an impatient Capitol Hill demanded the reform "or else." The "else" was a threat to withhold \$420 million of the U.S. assessment from the financially strapped organization until the demand was fully complied with. The congressional requirement called for an independent inspector general with wide-ranging powers whose reports could not be censored by the secretary general. Moreover, whistle blowers were to be provided ample protection--correcting another long-standing weak point in the alleged system of UN accountability.

Unfortunately, but not surprisingly, the General Assembly recrafted the congressional requirements and diluted the potential effectiveness of the new post. The General Assembly was able to weaken the reform effort thanks in large part to the refusal of Clinton administration negotiators to stay the course. What the General Assembly finally created was an inspector general with less than autonomous and sweeping powers. For example, the inspector general's budget would not be independent and he would serve at the pleasure of the secretary general--an unmistakable sign of dependence. Nor was Paschke given the power to correct any wrongdoing that he found, much less threaten offenders with criminal proceedings.<sup>[31]</sup>

### **Lifting the Rock--Barely: The Inspector General's First Report**

Such dilution of authority has contributed to the highly limited nature of the inspector general's first report, completed seven months after his appointment in March 1995. Short on time, funds, and staff, that initial attempt at cost accounting at the United Nations--a first after 50 years--produced little surprise, much less shock. Yet even that limited effort is reported to have "demoralized" much of the organization's staff.<sup>[32]</sup> Paschke made no pretense that he could clean the Augean stable in seven months--a Herculean task that would require years in any case. Therefore, he concentrated on several priorities: peacekeeping, humanitarian services, and procurement. A further narrowing of focus limited his investigation to abuse that constituted outright theft. That limitation, of course, left out such concerns as duplication and inappropriateness of efforts and overall accountability. But even that first, limited swipe uncovered \$16.8 million in out- right fraud and waste. The following were chief among his findings, according to one New York Times report.

- In Somalia, \$369,000 was paid for fuel distribution services that a contractor did not provide.
- A project director for the United Nations Relief and Works Agency, which helps Palestinian refugees, kept \$100,000 of agency money in his private bank account and failed to disclose a personal stake in the irrigation project under way.
- In Nairobi, a staff member of the United Nations Center for Human Settlements arranged loans worth \$98,000 for a company in which she had been a partner, and with whose director she was "closely associated."
- A travel assistant working in New York for the special commission that supervises the dismantling of Iraq's

nuclear weapons program misappropriated \$28,000 in travelers checks.<sup>[33]</sup>

The report also contained the usual criticisms of poor management practices and abysmal personnel policy. But Paschke's overall conclusion proved more disturbing to the cause of real reform than any of his criticisms. The inspector general stated, "I have not found the UN to be a more corrupt organization, an organization that shows more fraud than any other comparable public organization."<sup>[34]</sup>

But what is a comparable organization? Certainly not the old League of Nations, whose standards were very high. The statement, in short, has a ring of self-serving complacency, precisely what the United Nations does not need if it is to survive. Members of Congress had hoped for an inspector general who would prove to be a "junkyard dog," but U.S. ambassador to the United Nations Madeleine Albright--no UN buster--suggested that Paschke had thus far proved to be a "junkyard puppy."<sup>[35]</sup>

The Internal Oversight Services Office, in short, may well become another typical UN effort to deflect criticism without addressing the central problem. In any event, there is likely to be ongoing controversy and further attempts, at least on Capitol Hill, to make the United Nations responsible and responsive to its major contributors.

### **Can the United Nations Be Reformed?**

There is no end to the schemes proposed for reforming the United Nations; many of them bubbled up in and around the institution's 50th anniversary. Unfortunately, most approach the issue from the wrong assumption: that the chief problem is a lack of money. To be sure, many nations "owe" billions--the United States, in particular, which is now \$1.2 billion in arrears. That is hardly a new situation. In September 1993, for example, some 116 countries were behind in their payments while only 62 were paid in full. Two years later little had changed. At the end of December 1995, 91 of 185 members had not paid their share of the regular UN budget.<sup>[36]</sup> In 1993 a blue-ribbon panel sponsored by the Ford Foundation and presided over by Paul Volcker, former chairman of the U.S. Federal Reserve, and Shijuro Ogata, former deputy governor of the Bank of Japan, proposed to resolve the United Nations' cash-flow problems through a variety of means. The panel's principal recommendation was that past dues and present ones be paid in four quarterly installments, "instead of a single lump sum in the beginning of the year."<sup>[37]</sup>

### **The Independent Revenue Panacea**

More recently, the secretary general has suggested that the cure for the United Nations' financial woes is to give the world body taxing power. That would enable the organization to raise revenues directly and would give the institution an unprecedented degree of independence. Indeed, it would greatly diminish, if not eliminate, the financial control possessed (at least theoretically) by the member-states. Suggestions such as imposing a surcharge on international airline tickets or charging a fee for foreign exchange transactions--which amount to between \$1 trillion and \$1.5 trillion per day--have been met with scant interest in the Clinton administration and open hostility in the Republican-controlled Congress.<sup>[38]</sup>

Critics have raised the red flag of world government in response to proposals for taxing authority. But a more realistic objection is that such schemes would enhance the corrupt nature of the United Nations, whose core defect is an utter lack of accountability. The United Nations certainly is not accountable to its most important financial contributor, the United States, nor to the other major powers that largely provide the remaining share of the money. Nor can accountability be found with the secretary general, the chief administrative officer according to the UN Charter. Occupants of that post have regularly pleaded that they cannot be held accountable--none more emphatically than the incumbent, who contends that the member-nations are all-powerful in questions of responsibility.<sup>[39]</sup> Freeing the United Nations of any form of control by the major contributors would make that problem worse, not better.

Since the negative reaction to the secretary general's proposals for raising new revenues, he has tried another tack. This time he has proposed to reduce the U.S. share of the general budget from the current 25 percent to 15 or 20 percent. In addition, he has in hand a recommendation from his management experts to cut the UN Secretariat staff based in New York by 1,150 positions.<sup>[40]</sup> Such suggestions come at a very late date and merely reflect the growing pressure on the



United Nations from the U.S. Congress, among others. Moreover, the steps are modest ones--the UN specialized agencies, for example, would not shrink at all--and do not address the larger question of accountability. Why U.S. officials should be satisfied with such half measures, even if they were to be implemented, is very much an open question.

## **A Radical Reform Agenda**

How can the United Nations be made accountable in a meaningful sense of the term? Before addressing that primary question, however, we need to spell out the realistic options facing the organization. There are only two. The United Nations must either be radically reformed and its various bodies and agencies made strictly accountable to their primary donors, or failing that--and the record of failed reform attempts warrants pessimism--the principal donors, especially the United States, should end any further obligation to support financially an organization that is inherently corrupt and unfixable. The Reagan administration's withdrawal from the United Nations Educational, Scientific, and Cultural Organization in 1984 is a model of what could be done.

## **A Real Audit**

There must be an agreement among the major donors that a thorough housecleaning is in order. The United States could theoretically pursue that project alone, but without the cooperation of the Japanese, Russians, Germans, French, British, and to a much lesser extent, the Chinese, the UN bureaucracy, as in the past, would be well positioned to stymie a grand audit.

That audit must be carried out by a properly staffed, completely independent inspector general with a warrant allowing complete access to all UN and related-agency records. Indeed, some of the worst waste and duplication can be found in the affiliated agencies. For example, at least two dozen UN agencies are involved in food and agricultural policy, including one of the most notoriously ill managed, the Food and Agricultural Organization.<sup>[41]</sup> The proliferation of bureaucratic entities and the lack of pruning of obsolete ones is evident throughout the United Nations; agencies, councils, committees, and other bureaucratic bric-a-brac once established are almost never eliminated even though their usefulness has long since come to an end. The Trusteeship Council, for example, still absorbs resources even though it no longer has any wards.<sup>[42]</sup>

The lack of organizational coherence that characterizes the United Nations generally is especially striking in the affiliated agencies--which spend the largest share of the overall UN budget. Consider this observation by one seasoned diplomatic correspondent:

The chiefs of some autonomous UN agencies rule their fiefdoms like autocrats, answering to no one. Regional mafias of UN bureaucrats have taken root, consolidating their power through favoritism in hiring and promotions. Recipient governments also routinely plunder UN programs, diverting aid from intended beneficiaries with little remonstrance from UN agencies.<sup>[43]</sup>

A comprehensive audit cannot be completed in haste and could well take up to five years to finish. Moreover, the scope of the inquiry cannot be limited to fraud, waste, and outright theft, narrowly defined. Rather, the approach should be that of zero-based budgeting, both financially and conceptually. In other words, the audit needs to determine, not only whether the various bodies are effectively performing their missions, but also whether a particular mission is worth pursuing in the first place.

## **Curbing Pretentious Conferences**

One of the most egregious abuses is the United Nations' penchant for holding international conferences of dubious worth. A splendid example was last year's \$2.5 million Summit for Social Development held in Copenhagen, Denmark. Featuring 100 world leaders, the summit (and its dozen preparatory meetings) fuzzily focused on poverty, job creation, and "solidarity." The outcome was roughly divisible into two categories: bromides that few could quarrel with or find of practical use and proposals for yet more government intervention to promote societal betterment.<sup>[44]</sup>

The UN conference that fretted about "social issues" was matched by huge conferences on women in Beijing in 1995, population control in Cairo in 1994, and, of course, the Rio environmental summit in 1992. All attracted thousands of delegates who were usually pursuing agendas associated with the statist left. Although few results can be pointed to--resolutions passed are not binding, fortunately, on anyone-- there is little indication, considering the sponsors and the size of the attendance, that any serious work can ever be achieved at such gatherings. As a result, even boosters of the United Nations (including the Clinton administration) are growing critical of the proliferation of high-profile conferences. Said one unnamed senior U.S. official, "We think the General Assembly, which includes all 185 UN member states, is the proper forum for addressing these issues, and it's time to stop running around the world wasting resources when the same work could be done right here in New York at much less cost." [\[45\]](#)

## **Alternative Organizations**

A reform audit should also examine whether some of the functions of the United Nations can be carried out more efficiently by other organizations. We are no longer living in the world of 1945. In the last 50 years private, volunteer organizations and state-run agencies (the U.S. Peace Corps, the British Volunteer Service) have sprung up like mushrooms. Many are vastly more efficient than (often) rival UN agencies, which are top-heavy with bad management and provide relatively few dollars for actual humanitarian relief even when those funds are not diverted to other less worthy causes by host governments. It is not heartless to no longer accept at face value what bureaucrats claim they do for the world's poor and suffering. A vivid example of the collective wisdom about the UN humanitarian mission was the General Assembly's approval in 1984 of a \$73.5 million regional conference center in Addis Ababa, Ethiopia. That decision was made at a time when the murderous regime of Mengistu Haile-Mariam had induced a massive famine that left international relief agencies scrambling for donations. [\[46\]](#) Scarce resources wasted, and therefore not available to help those in need, serve no legitimate purpose.

A thorough scrutiny of the largely unexamined and unaudited UN budgets would allow primary donors to have for the first time the data with which to make rational decisions about those budgets rather than simply guess about what is actually being done to serve their legitimate national interests or even the broader interests of the international community. The suspicion is that few UN programs and agencies would pass the test. Those that are found wanting and refuse to change or voluntarily go out of business should simply be starved of funds.

We would lose very little by taking that step. Functional, highly specialized agencies such as the World Meteorological Association and the International Civil Aviation Organization, many of which predate the founding of the United Nations, would carry on pretty much as they always have. Useful diplomatic initiatives that the United Nations can do best could be preserved--provided that a corps of competent, and neutral, career diplomats can be recruited and retained. Peacekeeping missions would be limited to the relatively inexpensive monitoring arrangements that have worked over the years. Large-scale "peacemaking" operations, as attempted in Somalia and Bosnia, should be relegated to the wastebasket of failed experiments.

## **Conclusion**

If the United Nations is to continue for another half century, more will be required than showering the institution with happy-talk birthday cards. The organization needs a vast overhaul of mission and method. In recent years the world body has been subjected to a variety of criticisms and suggested reforms. But the critiques rarely go far enough, and the remedies, particularly in the area of financial reform, would probably make matters worse rather than better. That is especially true of suggestions to give the United Nations even limited taxing authority.

The U.S. Congress can and probably will play a large leadership role in the campaign for either reform or abandonment. But the Congress cannot do it alone. The president has the solemn responsibility to take the lead in presenting the case for a continued U.S. interest in and support for an international organization that has been generously subsidized by American taxpayers yet has shown scant regard for their interests. UN personnel do not have jobs and budgets by divine right--although many act as if they do. Nor can their privilege of utter unaccountability be tolerated much longer.

A half century of experience with the United Nations should have resulted in a real review of its flaws. Instead,

supporters of the organization frequently act as though it should be immune from criticism. Far more realism is required if the United Nations is ever to reach its centenary.

Greater realism may lead to the conclusion that the United Nations cannot be salvaged--or at least that the burden of doing so may exceed any prospective benefit. Strip away the sentimental, often self-serving rhetoric, the utopian and hence unachievable aspirations, and it may well be that the international body is no more relevant to the world's problems than the Holy Roman Empire was in its waning decades. If that is the case, we should rid ourselves of the United Nations as Napoleon did Europe of the empire in 1808

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### Notes

[1] See, for example, Thomas W. Lippman, "Florida GOP Fresh man Moves to Scuttle the U.N.," *Washington Post*, November 6, 1995, p. A9, which outlines the views of Rep. Joe Scarborough (R-Fla.), who has introduced a bill calling for an end to U.S. membership in the United Nations after a four-year transition period. The congressman flatly denied that such a move was a retreat into isolationism, noting that he believed the United States would and should maintain its alliances with liberal democracies. For two recent suggestions for limited UN reform, see Inguar Carlsson, "The U.N. at 50: A Time to Reform," *Foreign Policy* 100 (Fall 1995): 3-18; and Ruben D. Mendez, "Paying for Peace and Development," *Foreign Policy* 100 (Fall 1995): 19-31.

[2] Even the relatively successful operation in Mozambique demonstrated that various UN agencies are often shockingly incompetent. For example, the Office for Humanitarian Affairs Coordination managed to interfere with the work of other groups, which delayed unnecessarily the removal of land mines. See Tim Carrington, "Incompetence of the U.N. in Mozambique Casts Shadow over the Future of Haiti," *Wall Street Journal*, September 26, 1994, p. A10.

[3] John R. Bolton, "A Good Year at the U.N.?" *Washington Post*, January 17, 1994, p. A23.

[4] John F. Harris, "Clinton Calls on United Nations to Focus, Says It Must Trim Bureaucracy," *Washington Post*, June 27, 1995, p. A14. Other speakers included UN Secretary General Boutros Boutros-Ghali, Secretary of State Warren Christopher, and poet Maya Angelou.

[5] Simon Duke, "The U.N. Finance Crisis: A History and Analysis," *International Relations*, August 1992, pp. 133-37.

[6] Even if the United States had been a full league member (as it was Washington played a role behind the scenes), it is improbable that America would have sent troops to Spain or Ethiopia, marched into the Rhineland, prevented the Anschluss with Austria, or banged the tables at Munich in defense of Czechoslovakia. Given America's modest armed forces and the public fear of again being caught up in fighting foreign wars, the belief that such activism would have been forthcoming is based on wishful thinking, not logic.

[7] According to article 16 of the league's covenant, "It is the duty of each member of the League to decide for himself whether a breach of the Covenant has been committed." Quoted in Hans J. Morgenthau, *Politics among Nations: The Struggle for Power and Peace* (New York: Alfred A. Knopf, 1961), p. 304.

[8] One mark of the Security Council's decline is apparent in this comparison: in 1948 the council met 168 times; a decade later the number of meetings had dropped to 36. *Ibid.*, p. 485.

[9] *Ibid.*, pp. 489-90.

[10] For a first-hand account of Kennedy's "profane" reaction to the neutrals' moral cop-out at the Belgrade meeting, see Arthur M. Schlesinger Jr., *A Thousand Days: John F. Kennedy in the White House* (Boston: Houghton Mifflin, 1965), p. 520.

[11] Julia Preston, "Massive World Body Resists Shaping Up," *Washington Post*, January 3, 1995, p. A1.

- [12] Ibid.
- [13] Duke, pp. 129-30.
- [14] Hans D'Orville and Dragoljub Najman, "A New System to Finance the United Nations," in *Security Dialogue* (Beverly Hills, Calif.: Sage Publications, 1994), pp. 136-37.
- [15] Duke, pp. 133-35.
- [16] Christopher S. Wren, "Mismanagement and Waste Erode U.N.'s Best Intentions," *New York Times*, June 23, 1995, p. A1.
- [17] Ibid.
- [18] Ibid. According to Wren, 1,500 of the 7,000 Secretariat personnel have no valid appointments. Those who have spent time in Third World government offices know exactly how that could happen; "employment" in such governments is often a very casual concept involving little or nothing in the way of a paper trail. For the total number of UN personnel, see Julia Preston, "U.N. Wrestles with Sexual Harassment in Its Ranks," *Washington Post*, September 8, 1994, p. A29; and Catherine Touns, "Peacekeeping Falloff May Lead to U.N. Cut," *Washington Times*, January 13, 1996, p. A10. See also William Branigin, "As U.N. Expands, So Do Its Problems," *Washington Post*, September 20, 1992, p. A1.
- [19] Karen Cheney, "It's the U.N.'s 50th Birthday, But Its Employees Get the Gifts," *Money*, November 1995, p. 27. The disparity in salaries is a long-standing problem. See General Accounting Office, "United Nations: Personnel Compensation and Pension Issues," Report to Congressional Requesters, February 1987.
- [20] Cheney.
- [21] See John M. Goshko, "U.N. Chief: Political Will, Money Needed," *Washington Post*, November 22, 1992, p. A1.
- [22] Richard Thornburgh, Testimony, in *Management and Mismanagement at the United Nations: Hearing before the Subcommittee on International Security, International Organizations and Human Rights of the House Committee on Foreign Affairs, 103d Cong., 1st sess., March 5, 1993* (Washington: Government Printing Office, 1993), p. 20.
- [23] Refet Kaplan, "U.N. Staff to Be Cut to Boost Efficiency," *Washington Times*, March 15, 1995, p. A1; and Preston, "Massive World Body Resists Shaping Up," p. A1.
- [24] Wren, "Mismanagement and Waste Erode U.N.'s Best Intentions," p. A1. His report goes on to note that \$53,000 was requested for the 1994-95 UN budget for consultants' analysis of South African apartheid even though the country's first multiracial elections were held in April 1994.
- [25] James Avery Joyce, *Broken Star: The Story of the League of Nations (1919-1939)* (Swansea: Christopher Davies, 1978), pp. 78-79; and Jack C. Plano and Robert E. Riggs, *Forging World Order: The Politics of International Organization* (New York: Macmillan, 1967), pp. 22-23, 172-73. The league's Secretariat numbered about 600 and was drawn from 50 different nations. Yet the league's first secretary general, Sir Eric Drummond, a senior British civil servant, insisted that the Secretariat be recruited on an individual basis and that its members live up to the standards of the British civil service, then regarded as the world's most efficient.
- [26] Branigin, p. A1.
- [27] He was Martti Ahtisaari, at present Finland's president. Connor has had some small successes. His first budget

proposal for 1996-97 is actually \$109 million less than the previous one. He has selected some 200 jobs for elimination out of a Secretariat staff of more than 10,000. In UN terms, those are major accomplishments, but they hardly address the fundamental concern. See *ibid.* See also Julia Preston, "U.N. Chief Fires American in Charge of Reforming World Body," *Washington Post*, January 18, 1994, p. A20.

[28] Richard Thornburgh, "Report to the Secretary General of the United Nations," March 1, 1993, reprinted in *Management and Mismanagement of the United Nations*, pp. 100-101. Thornburgh, at the request of President Bush, served one year as under secretary general in order to prepare the report on mismanagement at the United Nations.

[29] *Ibid.*, pp. 101-3.

[30] Wren, "Mismanagement and Waste Erode U.N.'s Best Intentions," p. A1.

[31] Catherine Toups, "U.N. Critics Call Report on Fraud a Prescription for Action," *Washington Times*, October 31, 1995, p. A13; and Christopher S. Wren, "Surprise! U.N. Auditors of Peacekeeping Missions Find Waste," *New York Times*, October 29, 1995, p. 18.

[32] Catherine Toups, "U.N. Faces Increased Scrutiny at Age 50," *Washington Times*, June 26, 1995, p. A1.

[33] Wren, "Surprise!"

[34] Quoted in *ibid.* See also Toups, "U.N. Critics Call Report on Fraud a Prescription for Action," p. A13.

[35] Quoted in Wren, "Surprise!" p. A18.

[36] Catherine Toups, "U.N. Dues Proposal a Mixed Bag for U.S.," *Washington Times*, January 25, 1996, p. A1.

[37] "Financing an Effective United Nations: A Report of the Independent Advisory Group on U.N. Financing," *Ford Foundation*, New York, April 1993, p. 26. On the current U.S. bill, see Catherine Toups, "U.N. Considers Imposing Taxes," *Washington Times*, January 16, 1996, p. A1.

[38] The idea was first broached in 1994 in D'Orville and Najman, pp. 135-44. See also Mendez, p. 25.

[39] Toups, "U.N. Critics Call Report on Fraud a Prescription for Action," p. A13.

[40] "The United Nations Heads for Bankruptcy," *The Economist*, February 10, 1996, p. 41; and John M. Goshko, "To Help Ward Off Bankruptcy, U.N. May Lay Off More Than 1,000 Staff," *Washington Post*, February 3, 1996, p. A16. Apparently, some within the bureaucracy are getting the word as well. Rubens Ricoperio, the new director of the UN Conference on Trade and Development, is suggesting that his staff shrink by 10 percent. Perhaps. But UNCTAD for decades has been a steady advocate of the developed nations' transfer of resources to the underdeveloped. Only lately have UNCTAD officials suggested that the private sector should have any input into the operations of the organization. In any case, any legitimate functions the UNCTAD may have acquired could be transferred to the World Trade Organization. Frances Williams, "UNCTAD Chief Pledges Sweeping Reforms," *Financial Times*, January 30, 1996, p. 5.

[41] See remarks of Rep. Doug Bereuter (R-Neb.) on FAO corruption in *Management and Mismanagement at the United Nations*, p. 3.

[42] Bolton.

[43] Branigin, p. A1.

[44] Anne Applebaum, "The U.N. Offers Summits, Not Solutions," *Wall Street Journal*, March 8, 1995, p. A20; and Preston, "Massive World Body Resists Shaping Up," p. A1. The Social Summit was the creation of Chile's ambassador to the United Nations, Juan Somavia, who lobbied Third World nations for their support of that dubious enterprise. Ibid.

[45] Quoted in John M. Goshko, "U.N. Conferences Come under Fire," *Washington Post*, November 25, 1995, p. A16.

[46] Branigin, p. A1.