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GAO'S UNESCO REPORT CARD : A FAILING GRADE

INTRODUCTION

The U.S. General Accounting Office (GAO) has completed the final draft of its review of the management, budgeting, and personnel practices of the United Nations Educational, Scientific and Cultural Organization (UNESCO). It amounts to a strong indictment of the Organization and of those responsible for running it. If the GAO audit were a report card, UNESCO would be failing the course.

The tone and style of the audit are restrained, factual, and objective. Its 177 typed pages contain few startling or eye-catching phrases. But its very sobriety makes the cumulative effect of its findings all the more convincing. At the end of the review, the picture that emerges is of an organization that is grossly mismanaged: enormous power vested in one man; governing bodies that do not, and cannot, govern; no effective evaluating and coordinating systems; programs with no clearly defined objectives and no target dates for completion; hiring practices that circumvent the Organization's own regulations and undermine the professional integrity of the staff; little accountability for the money disbursed; the increasing concentration of staff at headquarters; payments made in contravention of the Organization's rules; and the recommendations of external auditors repeatedly ignored.

The GAO review was requested by the House Committees on Foreign Relations and on Science and Technology in March 1983, on the initiative of Congressman James H. Scheuer (D-NY). It followed the American decision, announced on December 29, 1983, to withdraw from UNESCO at the end of 1984. Motivated by a concern that Congress should have a sound basis on which to evaluate that decision, Scheuer called in the GAO, which has an impressive reputation for solid, impartial work. The review is the outcome of six months' work by a GAO team at UNESCO headquarters in Paris.

The review does not give, and did not set out to give, the whole UNESCO story. It does not consider such matters as the question of the politicization of UNESCO's work, the role of ideology in the formulation of its programs, the significance of its generous support for the Palestine Liberation Organization (PLO), or the use of UNESCO as a Soviet espionage base. It restricts itself to management, budgeting, and personnel practices. Even within those limits, it has accepted a further important self-denying ordinance, in that it has not examined matters pertaining specifically to the propriety of UNESCO Director-General Amadou-Mahtar M'Bow's own behavior. Despite the serious charges that have been made against M'Bow by reputable observers, such matters as the misuse of travel and other expense funds, the use of patronage for political purposes, and nonpayment for the personal use of UNESCO premises and facilities were not addressed. Even so, the GAO audit indicts the current state of UNESCO and those responsible for it.

THE MAIN FINDINGS OF THE AUDIT

Excessive Centralization

The audit finds UNESCO to be a "highly centralized" organization, with power concentrated in the hands of the Director-General, who makes "most substantive and many routine decisions" relating to the Organization's operations. Among the consequences of this centralization, the review says, are delays in making routine decisions, inflexibility, and the stifling of creativity and innovation. The Director-General and some officials explain this centralization by saying that "lower-level officials have refused the responsibility"; but other officials claim that it results from the fact that "lower-level staff perceive that the Director-General wishes to retain all decision-making authority." These two explanations are not mutually exclusive: if staff do indeed believe that the Director-General wants to keep all decision-making power in his hands, they might well consider it prudent to refuse responsibility--especially if, as is the case, most of them do not enjoy security of tenure.

As the Director-General dominates the Secretariat, so does the Secretariat dominate the General Conference and the Executive Board (composed of representatives of member states and, nominally, the governing bodies of UNESCO). The General Conference "has become very dependent upon the Secretariat, which sets its agenda, guides its pace, and drafts many of its resolutions." The Executive Board, which has no staff, "is viewed as complacently accepting the program and budget provided by the Secretariat" and "relies heavily on the Director-General for direction and management of UNESCO's program and operations." UNESCO's program plans reflect the Secretariat's (i.e., the Director-General's) views more than those of member states. The governing bodies do not exercise effective oversight of the Organization's work and are provided with little information on program activities.

This picture of excessive centralization fully bears out the allegations of dictatorial control made by numerous critics and denied by the Director-General, who has insisted repeatedly that he merely carries out the wishes of member states. Thus, although the audit is too polite to make the point explicitly, it is clear that a main responsibility for the failures of UNESCO lies with the Director-General, who dominates and shapes its affairs.

Personnel Management

The audit notes the following trends in staff composition and management:

1. Concentration in Paris headquarters. Ten years ago UNESCO's staff was split evenly between headquarters and the field; today over 70 percent are in headquarters. That is, the proportion of UNESCO employees working in Third World countries, as opposed to Paris, has declined very considerably.
2. The comparative decline of professional staff. Ten years ago UNESCO's staff was divided 50:50 into professional and support (general service) personnel. Today the ratio is 40:60.
3. The increasing preference for short, fixed-term, but renewable contracts over permanent employment. By 1983, 90 percent of the professional staff was on contracts running only two to three years. Such an arrangement, of course, keeps a staff intimidated.
4. Alongside its regular method of recruiting staff, UNESCO has established a second "informal" system that enables the Director-General to sidestep regulations concerning qualifications and procedures. This involves extensive hiring of temporary or casual employees. UNESCO rules state that such appointments should only be made on an exceptional basis and should not exceed three months in the case of professionals or one month in the case of general service personnel. These provisions are routinely circumvented. In 1983, UNESCO hired 2,363 temporary employees, who worked an equivalent of about 695 staff years. Further, it makes a regular practice of laying individuals off for a few days at the end of a contract and then rehiring them. The extension of this system into a general practice contravenes UNESCO rules and enables normal criteria and procedures to be bypassed. This system opens the way for extensive use of patronage and undermines the integrity and professionalism of the staff.
5. Long delays in filling vacant posts. As of last December, 226 regular professional posts had been vacant an average of 18 months. In other U.N. agencies, when a post is left unfilled for a long period, it is assumed that it is no longer needed and should be abolished.

Program Planning, Coordination and Evaluation

UNESCO's program planning routinely fails to identify specifically what the Organization will provide, when it will complete

its activity, and who will benefit from what it does. There is no systematic control over program growth.

There is no effective system for evaluating the effectiveness of its program activity. What evaluation there is takes the form of self-evaluation, which carries the obvious risk of bias. Governing bodies are not given sufficient time or information to evaluate programs.

There is no adequate means of coordinating activity to avoid duplication, which was recently found to exist in 57 of the Organization's 186 subprograms.

The Budget

The GAO audit supports the charges by Western critics that UNESCO's budget is so confusing and opaque that it is difficult for member countries to make sense of it. States the audit:

...the presentation of the current budget did not clearly show how and why it had changed from the preceding budget. As a result, it was difficult for member states to determine in what areas and by how much the budget had actually grown from the previous period.

In other words, the budget does not convey the basic information it is meant to convey to the governing bodies and those who supply the money.

Fiscal Management

The audit finds that:

- controls over payroll are inadequate, so that "employees are paid without a positive confirmation that they actually worked";
- some \$14 million has been dispensed with "little accountability" and "only a minimal assurance from recipients that the funds were used for the intended purposes";
- payments have been made by the Director-General to a member of the Executive Board that were "inconsistent with Executive Board rules" and to General Conference delegates "without a clear policy having been established";
- money budgeted for one purpose has been used for a variety of other purposes;
- money given for UNESCO fellowships does not require any positive confirmation, such as a university

transcript, that the funds have been used for the intended purposes;

- a conference (The World Conference on Cultural Policies, held in Mexico City in July 1982) budgeted at \$54,800 actually cost over 10 times that amount, and the Director-General did not even bother to inform the Executive Board of that fact.

UNESCO and Its External Auditors

Recommendations made by the external auditors to improve the management of the Organization have been repeatedly ignored, or agreed to but not implemented.

IMPLICATIONS OF THE GAO REPORT

The GAO audit confirms Washington's complaint, when it announced its decision to withdraw from UNESCO, that trends in the Organization's management and budget detract from its effectiveness and lead UNESCO away from the original principles of its constitution. Short of some miraculous and sweeping clean-up of the Organization--including a change in the top management--between now and the end of the year, the U.S. should stick with its decision to leave UNESCO on December 31, 1984.

For some, this is an appalling prospect. They argue for the rescinding of the U.S. decision to withdraw, or at least, for delaying its implementation for a year or two. They urge that "working from within"--not quitting--is the way to reform UNESCO. They assert that UNESCO's shortcomings are largely the fault of the U.S., which has "failed to play its role fully and to exercise its strengths." They maintain that the loss to the U.S. would be great--particularly in the scientific field--if it were to withdraw. They claim that getting out would hand UNESCO over to the Russians, who would then exploit it without inhibition.

These arguments have little merit:

1. The U.S. decision to withdraw from UNESCO has generated a greater momentum for reform in the last nine months than has existed in the previous 20 years. An America that has declared its intention to withdraw, or which actually withdraws while making it clear that it will return when UNESCO has been cleaned up, has infinitely more leverage on the situation than one attempting to work from within. On the other hand, should America go back on its decision at the last moment, it will lose most of its credibility, and the momentum for change will wane.
2. As UNESCO is now constituted, "working from within" will fail. It has, after all, been tried quite vigorously in recent years--without success. As the GAO audit makes clear, it would necessarily involve attempting to negotiate with the all-powerful

Director-General M'Bow to reform a state of affairs of which he is the principal architect and beneficiary. And it would involve doing so in circumstances in which he controlled the game and called the shots. Why, in these circumstances and in the absence of compelling and convincing sanctions, should M'Bow concede anything? For "working from within" to have any chance at all, it would have to be preceded by the departure of M'Bow and his replacement by someone not committed to the existing way of running things, a person of proven integrity and commitment to fair and sound administrative practices.

3. As for the assertion that the responsibility for the deplorable condition of UNESCO lies largely with the U.S., the first thing to say is that it represents a particularly outrageous example of the "blame America first" syndrome, recently identified by Ambassador Jeane Kirkpatrick. Second, it seems to be based on the assumption that a better "performance" on America's part (a more forceful presentation of views, the allocation of more and better people, greater preparation for meetings, and so on) would make a decisive difference. This is a fallacy. The problem is not one of presentation and performance; it is political and can only be resolved by political means. It is not a case of the Director-General and the Third World not understanding U.S. views and interests; they understand them perfectly well and oppose them. (It should also be added that this stress on "better performance" is grossly unfair to the U.S. Permanent Delegation to UNESCO, which, given the circumstances in which it has had to operate, has performed conscientiously and well.

4. The assertion that the U.S. would suffer seriously, particularly in the field of science, as a result of withdrawal seems based on the false assumption that no effective substitutes for UNESCO could be formed or created. Yet Dr. William A. Nierenberg, the Chairman of the Committee on International Science of the National Science Board, told the House Science and Technology Committee:

The summary effect [of withdrawal], as far as my investigations today go, on the U.S. scientific effort would be minimal, particularly because in almost every case there are adequate alternatives.

He pointed out that membership in such important bodies as the International Oceanographic Commission (IOC) and the Scientific Committee for Ocean Research (SCOR) was not conditional on UNESCO membership. To be sure, other scientists think that U.S. withdrawal from UNESCO would be costly. But they seem to overlook two key points: (1) as every other country benefits more from access to U.S. scientific knowledge than the U.S. benefits from access to theirs, all countries would have an interest in quickly creating alternative cooperative mechanisms involving the U.S.; and (2) if, in the end, there are net costs involved in the scientific field, these must be weighed against the other American interests served by withdrawal. Scientific benefits, unless they

are of overwhelming importance, cannot determine American foreign policy.

5. Far from enhancing the value of UNESCO to the Soviet Union, the U.S. departure would diminish it. As a propaganda forum to project Soviet views on "peace," "Western imperialism," and "a better balanced flow of information," UNESCO is only effective to the extent that it has legitimacy and authority. An American withdrawal would go far to deprive it of these (and the withdrawal of two or three other Western countries as well would destroy them entirely). Also, far from "driving the Third World into the hands of the Russians," as some maintain, such a withdrawal would force the more moderate and pragmatic Third World countries to reconsider their strategy and to ponder the wisdom of continuing to let a radical minority lead them by the nose in the name of solidarity. Most developing countries are well aware of the USSR's abysmal record as an aid giver, when anything other than arms is involved, and would recognize that a UNESCO goose dependent on the Soviet Union would produce no golden eggs. Apart from these political aspects, U.S. withdrawal would deprive UNESCO of one of its greatest practical attractions for the Soviets: it would cut off the easy access to American scientific and technological data which the Organization now provides.

What of the implications of the GAO audit for other Western countries, assuming that they accept its findings? It is surely true that, if a similar review of a government department or agency in any Western country revealed mismanagement on the scale of that existing in UNESCO, drastic action would be taken to remove those responsible and to clean up the body. It is surely equally true that such maladministration would be regarded as intolerable in any private company or organization. Why, then, should Western countries apply different standards to the management of UNESCO? Does not the responsibility Western governments bear for the management and expenditure of their taxpayers' money extend to the funds that they give to international agencies and does not that responsibility require the firmest action in this case? Indeed, does not a serious commitment to the aims of UNESCO require such action?

If other Western countries are content to allow double standards to apply, they should say so, explain why, and stop talking about reform. If they are not, then both principle and calculation of political effectiveness suggest that they should do one of two things: either insist on the removal of M'Bow and his replacement by a person of proven ability and integrity, as an essential precondition for thorough reform, or give the required 12 months' notice of their intention to withdraw from UNESCO.

CONCLUSION

The GAO audit fully confirms and justifies the charge of bad management advanced by the U.S. as one reason for leaving UNESCO.

The other reasons--excessive anti-Western politicization and a commitment to statist policies--are equally valid. It is now imperative--both for the sake of American credibility and to maintain the pressure for reform generated by the decision--that it should be implemented in December. Events in the last year have shown that an America that has decided to withdraw has greater, not less, leverage on UNESCO affairs; and the example of the U.S. withdrawal from the International Labor Organization (ILO) in the 1970s confirms that actual withdrawal increases leverage still further. Events also have shown that other Western countries respond to firm American leadership in resisting ideologically motivated demands: witness the effects of the American rejection of the Law of the Sea Treaty; witness also Western demands for reform of UNESCO made this year by Great Britain, the Netherlands, Denmark and the Federal Republic of Germany, once America had shown that it was serious.

On the other hand, if the U.S. should go back on its decision, or vacillate, the conclusion that will be drawn--not only in UNESCO but generally--is that a U.S. decision to take firm action need not be treated seriously. The characterization of the U.S. as a "paper tiger" would be confirmed. Among other things, this would immediately rob any further effort to reform the U.N. system of all credibility. At home, it would mean that, having alienated some liberals by the original decision, the government would end up incurring the wrath of conservatives as well: a classic case of pleasing no one by trying to please everyone.

The departure of the U.S. at the end of 1984, together with the announcement of the prospective withdrawal of several other Western countries, unless sweeping changes are forthcoming, would create the optimal conditions for thoroughgoing reform in 1985. If even these did not yield satisfactory results, the conclusion that UNESCO is beyond redemption would be irresistible. Concern for reform should then give way to the creation of alternative ways of ensuring the educational, scientific, and cultural cooperation envisaged by UNESCO's founders.

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