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THE CHARADE OF UNITED NATIONS REFORM

INTRODUCTION

While the Reagan Administration and congressional leaders continue to search for ways of reducing the federal budget deficit, certain Administration officials are finding new ways to spend money. The recipient of this largesse strangely is the United Nations. The State Department has given United Nations Headquarters in New York \$100 million for 1987; this is what the United States contributed to U.N. headquarters last year. In addition, the U.S. is giving about \$650 million this year to various other U.N. agencies.

Apparently, this \$750 million to the U.N. is not enough for the State Department, various private groups, and even some Reagan Administration key aides, such as Office of Management and Budget Director James Miller, III. They are pressuring Congress to increase this amount significantly. Such a contribution would be an unjustifiable use of the taxpayer's money. Even worse perhaps, it would all but eliminate any prospects for genuine reform of the United Nations. The only incentive the U.N. has had to reform itself is the threat of the U.S. withholding funds. This threat, it appears, is going to be lifted.

Congressional Insistence. When the U.N. began its reform effort in February 1986, many Members of Congress and Administration officials were skeptical that significant reform could be achieved without intense U.S. political and financial pressure. As Representative Gerald Solomon, the New York Republican, wrote in the March 1987 Report on the State Department Authorization Bill, the legislative vehicle that authorizes U.N. funding:

...the reform process at the U.N. is a long way from being completed, much of it could still come unravelled. Therefore, the need to maintain American financial leverage becomes even more important.¹

As a result of congressional insistence, the U.S. withheld roughly \$185 million of the \$570 million owed in assessed contributions--mandatory dues--to all U.N. agencies for 1986. In order to maintain such leverage this year, both congressional chambers have reduced sharply the Reagan Administration's request of close to \$571 million for international organizations in 1987--to the 1986 level of \$385 million in the case of the House of Representatives. Although both the House and the Senate have authorized the payment of further funds, it is unclear whether such funds would actually be available.

Lobbying Rather than Reform. As the U.N. has felt the financial pinch, it has gone through the motions of reform. It has made some minor administrative changes, some reshuffling of responsibilities, and some minimal reductions in the number of senior-level officials. These are the extent of U.N. "reforms"; they have done little to change the waste and the inefficiency endemic at the U.N.

Rather than working on reform, U.N. officials have been spending a good deal of time and energy lobbying Washington for more money. Senior officials of the U.N. Secretariat, such as Martti Ahtisaari, Under Secretary-General for Administration and Management, have called on Members of Congress, a lobbying activity that may violate U.S. law. U.N. Secretary-General Javier Perez de Cuellar, meanwhile, has written to U.S. Permanent Representative to the U.N. Vernon Walters, demanding that the U.S. give the U.N. more money. Bowing to this pressure, the State Department has decided to funnel as much money as possible to the headquarters in New York. Ironically, this is the part of the U.N. system least responsive to U.S. interests. Severe reductions in U.S. funding, meanwhile, are to be applied to the smaller U.N. specialized agencies, some of which perform valuable functions.

Florin's Chauffeured Limousine. Such actions ignore that even the officials of the U.S. Mission to the U.N. acknowledge that the U.N. has not addressed the significant concerns of the U.S. Congress: the numerous U.N. offices and committees that directly support the Palestine Liberation Organization still thrive; massive Soviet violations of U.N. Charter provisions governing the U.N. Secretariat continue; and U.N. General Assembly President Peter Florin still cruises New York City in a chauffeured limousine--all courtesy to an enormous extent of the American taxpayer.

In short, the State Department's actions on funding the U.N. may mean that the Reagan Administration is abandoning the common sense approach to the U.N. crafted by former Ambassador Jeane J. Kirkpatrick. The U.S. Congress may not want to go along with this reversal of a successful policy. Congress should not change its message to the Administration: unless and until real changes take place at the United Nations, the U.N. should receive only limited U.S. funding.

1. Report of the Committee on Foreign Affairs, U.S. House of Representatives on H.R. 1797, U.S. Government Printing Office, 1987, p. 65.

THE ROAD TO REFORM

In 1985, dismayed by persistent reports of large-scale waste, fraud, and mismanagement at the U.N., the U.S. Congress voted to withhold 20 percent of the U.S. assessed contribution to the United Nations and its specialized agencies. Along with Gramm-Rudman-Hollings reductions, this curtailed U.S. assessed contributions to the total U.N. system (including specialized agencies) from roughly \$442 million in 1985 to \$385 million in 1986. (In addition, the U.S. contributes roughly \$300 million annually in "voluntary" contributions to U.N. agencies such as UNICEF, and an additional \$70 million for U.N. peacekeeping activities.) The measure, introduced by Senator Nancy Kassebaum, the Kansas Republican, and Representative Solomon, passed overwhelmingly in both Houses, and made clear that full U.S. funding would not be resumed unless and until the U.N. allowed its major donors more control over the disposition of its funds.

In response, the U.N. General Assembly in 1985 established a "Group of Experts" to review U.N. administration and management. The Group, composed of representatives of 18 nations, including the five permanent members of the U.N. Security Council (the U.S., Britain, France, China, and the Soviet Union), met 67 times between February and August 1986, and issued its report in September 1986.

Damning Indictment. The Group of 18 Report made a significant and substantive contribution to the reform process. Writes former U.S. Alternate Permanent Representative at the U.N. for Special Political Affairs Charles Lichenstein: "The Report of the Experts Group is an extraordinary document. Read literally, with all the loopholes of diplomatic understatement closed, it is a damning indictment of U.N. 'business as usual.' On a single page of the Report, dealing with 'Structure of the Secretariat,' the descriptive phrases include: 'duplication of work,' 'reduced productivity,' 'reduced quality of performance,' 'too top-heavy,' 'too complex,' 'too fragmented,' 'dispersion of authority,' and 'diffuse lines of authority, accountability and communication.'"²

Specifically, the Group of 18 recommended consolidating a number of offices in the U.N. Secretariat, banning the creation of any new offices without the elimination of the existing offices that perform the same function; and cutting back 15 percent on the total size of the U.N. Secretariat staff. In addition, the report called for a 25 percent reduction among high-level Secretariat staff, cessation of the common practice of rehiring retired Secretariat employees as consultants, and stopping the construction of a \$73.5 million conference center in Addis Ababa, capital of famine-ravished Ethiopia.

Soviet Control. The Group of 18 proposed significantly reducing the percentage of employees of any one country that is "seconded" to the U.N. Secretariat. Secondment--the practice of assigning officials to the U.N. on temporary duty--is the means by which the USSR retains control of its nationals posted to the U.N. Secretariat. Although the Soviets objected to this proposal, it was included in the Group's final report, with a note acknowledging the objections of "some delegations."

2. Charles M. Lichenstein, "United Nations Reform: Where's the Beef?" Heritage Foundation *Backgrounder* No. 593, July 9, 1987.

With regard to the U.N. budget process, the Group of 18 could not agree on a consensus package, but offered three separate proposals, ranging from one that would have continued the status quo to one that would have given major donors near total control over the U.N. budget. Despite the lack of agreement on the formal mechanisms of budgetary control, many nations and U.N. officials accepted--at least rhetorically--the need for greater influence over the budget process by such large donors as the U.S., Japan, the USSR, and the nations of the European Community.

Budget Add-Ons. After receiving the report from the group of experts that it had created, the U.N. General Assembly rejected outright or diluted the report's most useful and needed proposals. In the resolution that the General Assembly finally passed, which purportedly contained the reforms proposed by the Group of 18 (Resolution 41/213), the suggested staff cuts were only "targets"; the conference center in Addis Ababa remained in the budget; the suggested curtailment of "secondment" evaporated; the call for a ceiling on the U.N.'s "contingency fund" for extra-budget expenditures was ignored; and budget "add-ons" would continue to be controlled by the Third World nations in the General Assembly, although those 80 countries--a majority of the General Assembly's 159 member nations--together contribute less than 1 percent of the budget.

Reagan Administration officials chose to emphasize the modest change in U.N. budget procedure that was the centerpiece of the reform package. Formerly, the U.N. budget had been passed first by the Fifth Committee of the General Assembly and then by the full General Assembly--bodies where the major U.N. donors were severely outnumbered. The new system envisioned by the Group of 18 strengthened the previously obscure 21-member Committee on Program and Coordination; it was to be given the power to draft a consensus budget, which would be presented to the Fifth Committee and the Plenary for ratification. All the major donors would have seats on the CPC, and could presumably exercise veto power over the entire budget if dissatisfied with its content.

Over Western Objections. There are a number of obvious problems with this structure. First, the dynamics of the consensus procedure place great pressure on delegations to go along with unwise proposals in the name of unanimity; second, even with a consensus procedure, the Third World majority on the CPC could use its collective weight to fight to retain their pet wasteful programs; third, there was the possibility of the CPC not reaching a consensus, or of such a consensus breaking down. If this were to occur, the budget could be passed by the General Assembly--over Western objections--by a simple majority of developing nations. In fact, this is what occurred at the end of the 1986 General Assembly: the developing countries tacked on \$61 million over the planned U.N. budget level.

THE PROCESS BREAKS DOWN

During the past year, there have been some administrative and management changes at the U.N.; these changes, however, do not meet even the minimal reform standards established by Resolution 41/213, the reform resolution passed by the

U.N. General Assembly in December 1986. They fall far short of the reform proposals offered by the Group of 18.

The reality of reform at the U.N. bears little resemblance to the rhetoric. Examples:

1) **The U.N. claims to have imposed a "hiring freeze" in 1986.** The method the U.N. purported to use to slim down was "attrition," meaning that those who retired or left the U.N. would not be replaced. Though this has resulted in some reductions, virtually all the reductions have affected only Western and Third World employees, since the U.N. has exempted the Soviets from this "freeze."

Moreover, in a bid to obtain political support for his accommodation of the Soviets, U.N. Secretary General Javier Perez de Cuellar in May offered also to hire 52 new, junior-grade officers--many West Europeans, a few from developing countries, and no Americans. Senator Robert Kasten, the Wisconsin Republican, accurately characterizes this politically motivated rejection of Americans as "an added insult."

2) **There has been very little staff reduction.** At the executive level, while the number of Assistant Secretaries General has been trimmed from 28 to 22, there are still 27 Under Secretaries General, unchanged from 1986. This falls far short of the 25 percent reduction in the number of these positions called for by the Group of 18. In terms of total U.N. professional staff systemwide, the U.N. claims to have a vacancy rate of 15 percent--that is, 15 percent of the available posts have gone unfulfilled. Yet these positions have yet to be abolished. The positions, in fact, could be filled eventually. The total personnel reductions amount to only 1.8 percent.

3) **All professional employees at the U.N. continue to receive salaries that not only exceed those of their counterparts in the U.S. federal government, but exceed the U.N.'s own guidelines.** Stated a 1987 U.S. General Accounting Office Report on U.N. compensation and personnel issues: "New York-based U.N. professional employees' net remuneration exceeded that of equivalent U.S. civil servants in Washington, D.C. by a margin of 21.3%. This margin doubled from 1978 to 1985."³ In addition, many nations illegally supplement the salaries of their top officials: Canada, for example, has admitted supplementing the \$117,000 salary of its top U.N. official by \$88,000.

4) **The Secretary-General announced in March that certain parts of the U.N. Secretariat's "anti-colonialism" bureaucracy would be folded into an existing department.** He further announced that two relatively small offices would be discontinued, and their responsibilities shifted to other parts of the Secretariat. These moves, however, have resulted in only minimal reduction of professional positions, reduction that was largely vitiated by the creation of a new Office for Research and the Collection of Information.

3. U.S. General Accounting Office, "United Nations: Personnel Compensation and Pension Issues," February 1987, p. 11.

5) **Though it has a new chief, the U.N. Department of Public Information continues to be what is generally conceded the U.N.'s most overstaffed department.** Despite publishing a lengthy internal manifesto on the "new" DPI, the new Under Secretary-General, Therese Paquet-Sevigny of Canada, has not cut back significantly on DPI's far-flung operations. Says one U.N. Secretariat official: "DPI is still a disaster area."

6) **Vital financial oversight functions, administrative procedures and rudimentary cost controls continue to be ignored.** A recommendation by the Group of 18 that the U.N.'s Internal Audit Unit be made an independent part of the Secretariat, responsible only to the U.N. Secretary-General, was brushed aside by the former Under Secretary-General for Administration and Management Patricio Ruedas. The result was made clear in a report of the U.N.'s Board of Auditors, recently delivered to the 42nd General Assembly, which looked into the question of U.N. allowances and entitlements. The report's contents are well summarized by the U.S. delegation's comments: "The number of cases of fraud which have been reported over the years by the auditors may have been greatly understated."

7) **In the area of highest American priority, the Committee on Program and Coordination emphatically rejected setting either a budget ceiling or a cap on the U.N. contingency fund, as proposed by the U.S.** This was deferred until 1988. Notes an internal State Department document analyzing U.N. budget reform prospects: "...the chances of significant budget reform in 1987 are poor." Nonetheless, using its power to apportion funds among U.N. agencies, the State Department has decided to devote the majority of the funds granted to U.N. agencies to the U.N. in New York--while pushing for further funding increases.

A FLAWED ARGUMENT

Despite failures of the reform program, some State Department officials argue that the U.S. should still pay its full \$210 million 1987 assessment to U.N. Headquarters, a \$110 million increase over last year's contribution. They claim that the U.S. would "lose its influence" in the U.N. if it failed to fulfill its "promise" to pay full U.N. dues once the reform process is begun.

This argument is without merit. U.N. history shows that there is little correlation between contributions and influence. Small states, such as Algeria and Singapore, which make only minimal contributions to the U.N., often have been very influential, thanks to the diplomatic and intellectual skills of their delegations and to the clear and consistent national orientation of their policies toward the U.N. The Soviet Union until recently had refused to pay the hundreds of millions of dollars it owed the U.N. for decades, yet the Soviets have basically succeeded in creating two sets of rules for the organization: those the Soviets live by, and those every other nation lives by.

Faithful U.S. A cursory examination of U.S. participation in the U.N. yields the same conclusion. During the 1960s and 1970s, the United States faithfully paid its allotted share of the (ever-rising) U.N. budget. Yet it was during these decades that U.S. influence at the U.N. all but evaporated. Conversely, the U.N. reform

movement was largely triggered by large-scale withholding of funds by the U.S. Congress--in fact, congressional withholding was the only reason such a course was considered. The purported correlation between "generous funding" and "influence" is a false one: to suggest that the U.S. pay its full share of its U.N. assessment is therefore to urge abandonment of the only leverage the U.S. has ever had over the U.N.

CONCLUSION

U.S. policy toward the United Nations is at a turning point: after six years of pressuring the United Nations to reform itself, the Reagan Administration seems to be flirting with surrender to State Department efforts to rescue the U.N. system; even on key budgetary and financial issues. The U.S. Congress, long the driving force behind U.N. reform efforts, should prevent a State Department-led reversal of this six-year effort. Congress should freeze or reduce the U.S. contribution to the U.N. The reform efforts taken to date do not merit being rewarded by any increase over the \$100 million the U.S. contributed last year

Such tough congressional action will be in the U.N.'s long-term interests. For only when the United Nations administration is convinced that genuine change is the only means of regaining full U.S. support will it begin to effect the needed, desired reforms, and thus enable the U.N. to fulfill its mandate.

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