

"POOR LITTLE UN"

Another UN scandal is a very brief and simple one, but a major problem nonetheless because it is a "con game" that UN publicists have been playing, and getting away with, for many years. As Shirley Hazzard noted three decades ago:

"The myth that the annual United Nations budget runs around \$200 million was circulated for so long that even UN leaders appeared to believe it. Declaring the United Nations' cost to be 'less than that of the Fire Department of New York City,' Kurt Waldheim echoed, in 1972, the UN's favorite, and unfounded, slogan. A recent schizophrenic UN press release [containing that figure] ... [later remarks that] 'Member States are contributing about \$870 million a year to the United Nations system ...

References to waste ... are cheerful -- 'I'd be satisfied,' one official declares, 'if what we're doing is fifty per cent effective.' Achievements are cited, and re-cited, with triumph and even with wonder -- as if an organization that has, over nearly three decades, employed tens of thousands of persons at a cost of tens of billions of dollars could scarcely have been expected to have much to show. In some United Nations operations the effort to augment funds has consistently taken precedence over the need to develop quality. An attempt at public discussion of United Nations financing will bring the Pavlovian and often belligerent reply 'Only a fraction of what nations spend on armaments' ..."

Shirley Hazzard, Defeat of an ideal: A study of the self-destruction of the United Nations, Macmillan, London, 1973, pp. 118-120.

Of course, as the tremendous expansion of UN field programmes has occurred during the past decade or two, the numbers have had to go up. But the pattern is still the same, that of a "poor little UN", as stated, for example, in a September 2003 on UN struggles and Secretary-General Annan's search for radical reform:

"The United Nations, with a \$1.2 billion budget ... supports more than 9,000 employees worldwide and dozens of peacekeeping and relief missions."

Felicity Barringer, "Outlook for UN: Radical overhaul", International Herald Tribune, September 22, 2003.

In fact, the most recent annual report on UN staffing states clearly that the total UN staff is more than four times the 9,000 figure given above:

"As of 30 June 2004, *the total number of staff* of the UN Secretariat and special status units] ... *holding appointments of one year of more* amounted to **37,598**. Of that total, **14,823** paid from various sources of funding are assigned to the Secretariat and **22,375** are assigned to other entities of the United Nations."

"Composition of the Secretariat: Report of the Secretary-General", UN document A/59/299 of **26 August 2004**, para. 11. [emphasis added]

The figure of 9,000 staff that was cited is thus based on the total regular budget posts of 8,799 [15 percent of which are stated to be vacant, by the way], and omits the some 22,000 staff assigned to "other entities", as well as about 6,000 more staff in the Secretariat who are paid from non-budget funding sources.

There is still one more major staffing category ignored, which the alert reader may already have spotted. The 37,705 total represents only staff "with appointments of one year or more", thereby ignoring several thousand temporary and short-term staff. Thus, the UN staff total amounts to 40,000 or more, not the 9,000 cited.

The financial figure cited in the September 2003 article, \$1.2 billion, is even more misleading. Again, it also represents only the (annual share of the biennial) UN budget. As discussed under Resource ambiguities in the preceding section on The UN, Alone and UNaccountable, the financial totals are very vague, fluctuating, and hard to obtain.

There is a useful source for overall UN financing by year for recent years, but it is found not at the UN or in its public reports but in work performed by the *Global Policy Forum*, an NGO which monitors UN policy making, promotes accountability, educates, and advocates on international peace and justice issues. It has developed extensive material on the UN financial crisis, and prepares charts which show total UN system expenditures from 1986-2004, which have ranged from as low as \$9.3 billion a year to as high as \$13.4 billion (with the UN share of this total ranging from about \$6.4 billion up to \$10.5 billion per year.)

"Total UN system expenditures: 1986-2004", compiled by Klaus Hufner, March 2004, *Global Policy Forum*, at www.globalpolicy.org/finance/tables/tabstest.htm.

There are two problems with this data, neither one of which is the fault of the *Global Policy Forum*. First, the UN is running two years behind with annual information on its largest category of funding -- voluntary contributions expenditures: the last information provided was for 2001. Second, one must wonder about the management accountability and internal systems of a major worldwide organization like the UN, which has \$6 to \$10 billion of annual expenditures and 35,000 - 40,000 employees, but leaves it to an NGO to figure out how much it spends annually. (This type of situation leads to the troubling query in the preceding subsection on Is the UN another Enron?)

This "poor little UN" syndrome has created four very negative elements, which have been applied for years but need to be reversed with a policy of much greater openness and accountability:

-- the impoverished financial image leads UN leadership to be quite defensive about a lack of funds to do anything meaningful, or to manage it carefully, as well expressed in the quote from Shirley Hazzard above;

-- focusing the total resources images on the small headquarters meetings, research, and administrative staff and funding, clearly misrepresents the dominant UN staff and funds in the critical, dramatic, and very demanding field programmes in crisis areas around the world;

-- there is a long-standing UN arrogance and eagerness (as the "800-pound gorilla" of the UN system) to grab positive recognition from the specialized agencies whenever possible, in a one-way relationship. When any of those those agencies accomplish something that is high-priority and well done, as most recently in the health area, the UN is right there to share or even claim major "New York" credit, but when the agencies have problems or issues of their own, the UN 'doesn't know them'; and

-- finally, the assertion that the UN could achieve much, much more, but only if it received some truly serious resources, a claim which is cast further in doubt by the major problem topic which follows on Grand lack of focus .

There are many unanswered questions about the size, shape, and above all the application and results of the total UN resources above, and especially the dominant but largely-ignored "extra-budgetary" portions of the UN staffing and finance puzzles. They include concern with sloppy and disconnected UN fund-raising and subsequent use; temporary staffing issues and patterns; "in-kind" financing; unpaid staff and services and support; the "Ted Turner" funding; Mr. Annan's many special advisors and their roles; weak management of the many diverse UN trust funds; sub-contracting costs and performance; and other topics.

To give only one positive example of promising developments in international organizations' financial accountability and transparency elsewhere, and to contrast it to the continuing UN insistence on "give us the money", IO Watch offers the two following quotes:

"In the world of international relief agencies, it's known as "the fog of disaster." Brought on by ... calamities ... Getting the necessary donations to buy the right supplies and get them to rescuers on the scene can be a bureaucratic nightmare. But [the Red Cross (IFRC)] has instituted a new web-based technology designed to cut through the confusion and paperwork of a crisis.

[It] can track donations of money and supplies in real time ... [and] allows aid groups to make an instant and accurate accounting for every dollar a donor gives.

The software couldn't come at a better time. According to the World Disaster Report, 226 million people were hit by disasters in 2002. A study by the IFRC shows that the software [can] ... speed up the relief process by 20 to 30 percent."

"Technology: Online relief," Newsweek International, **September 15, 2003**.

"Japan, the second largest financial contributor to the United Nations, plans to cut its support by one-quarter in coming years ...

Japanese diplomats calculate that Japan's gross domestic product is only 14.4 percent of the global economy. But Japan pays 19.5 percent of the United Nations budget ... By contrast, the United States figures [are 30 percent of global GDP, but it pays only 22 percent ...]

'Japan cannot just give sweet faces to everybody," [said a spokesman.]

Moving on programs with weak constituencies, politicians have cut Japan's overall foreign aid budget ... by 15.5 percent ...

"We should get a seat on the Security Council ..." said a spokesman. 'No taxation without representation is the basic idea.'

Japan's \$1 billion slice of the United Nation's [biennial] budget is more than the combined payments of four out of five ... permanent members of the Security Council: Britain, China, France and Russia."

One United Nations official here who asked not to be identified said that cutting support would not help ..., arguing 'If their quest is for the Security Council seat, it is not smart politics. They are not creating an image that Japan is a team player.'"

James Brooke, "Japan to cut its financial support to U.N.", New York Times, **January 20, 2003**. [emphasis added.]

IO Watch believes it is long past time for the UN -- with its 40,000-plus staff and \$6 to \$10 billion operations each year -- to itself begin to become "a team player" and to provide a clear and transparent report every year to the General Assembly to detail and explain the vast total resources it receives and how they were applied. This theme is returned to under Answers: A Starting Point in the topic on Annual status reporting to the General Assembly (as well as the critical parallel proposal for Annual results reporting to the General Assembly .)