

Why We – Especially the West – Need the UN Development System

Kishore Mahbubani

Western countries have created a UN development system that is underfunded and hamstrung by politics. As the relative power of the West declines, these countries should invest more in the UN to ensure global stability.

Institutions of global governance are weak by design not default. As Singapore's permanent representative in New York, I encountered senior members of the American establishment who lamented the UN's poor condition. The explanation was the domination by the poor and weak states of Africa and Asia and the poor quality of its bureaucrats.

To the best of my knowledge, no one seemed aware of a long-standing Western strategy, led primarily by Washington, to keep the United Nations weak. Even during the Cold War, when Moscow and Washington disagreed on everything, both actively conspired to keep the UN feeble: selecting pliable secretaries-general, such as Kurt Waldheim, and bullying them into dismissing or sidelining competent and conscientious international civil servants who showed any backbone; squeezing the organization's budgets; and planting CIA and KGB agents across the UN system.

As we move into an era of great convergence, the West must fundamentally rethink its policy that its long-term interests are served by keeping institutions of global governance weak. With only 12 percent of the population of the global village and a declining share of economic and military power, the West's long-term geopolitical interests will switch from trying to preserve its "dominance" to safeguards to protect the West's "minority" position in a new global configuration of power.

Having lived as a member of an ethnic minority (Sindhi) within an ethnic majority (Indian) in an ethnic majority (Chinese) state, I know that the best way to protect minority rights is strengthening the rule of law and the institutions that promote it. As most organizations of global governance are designed for this purpose, the West should work to strengthen not weaken them.

Another constant of Western strategy has been to bypass established universal institutions for ad hoc groups like the G7 and G8 or multilateral organizations dominated by them like the Organization for Economic Co-operation and Development and the North Atlantic Treaty Organization. But they are not UN substitutes because they lack legitimacy. Even the G20, which is broadly representative, lacks a constitutional mandate and standing under international law. It cannot replace the universal membership organizations of the UN family. The global convergence on norms and institutions to manage our global village requires inputs from legitimate global institutions.

Most of our key global village councils are related to the United Nations. A deep fissure exists between the dominant narrative in the West and in the rest of the world. Most well-informed Western citizens view the UN system as a bloated bureaucracy that does little good. By contrast, which is the good fortune of our world at this historical juncture, the vast majority of those who live outside the West retain massive trust in the UN system. If the West understood global trends, it would take advantage of this trust to secure its long-term strategic interests.

At one time, it may have made sense for the West to keep global village councils weak because its strength meant that it could defend itself unilaterally, especially from military threats. Indeed, its undeclared policy was *weakening* the UN system. However, the primary security threats to the West are no longer military. No armies of tanks are poised to invade any Western country. Instead, the main threats range from illegal immigrants to dangerous viruses, from new forms of economic competition to cultural isolation.

FUNDING THE UN

In this dramatically changed strategic environment, it would be foolish to continue spending more on defense and less on global village councils. Although this strategic folly becomes clearer every day, there is virtually no major voice in the West advocating a geopolitical master stroke. Nothing illustrates the global irrationality better than the absurd decision to *cut* the UN budget in December 2011 by 5 percent. The pressure to slash the budget came primarily from Washington and other major Western countries. No one opposes fiscal discipline and continued reform. At the same time, key departments and agencies should have adequate resources when demands increase, as they will.

Assessed contributions come from member states' financial obligations and provide a regular and reliable source of funding for core UN functions and are based on a member state's ability to pay. Voluntary contributions are at the discretion of each member state. They are used to finance the bulk of the UN's humanitarian operations and key agencies, such as UNICEF, the World Food Programme, and the UN Development Programme (UNDP).

This distinction between assessed and voluntary contributions is essential because, as an earlier essay in this series pointed out,¹ the West as well as non-traditional donors have blocked the growth of the UN system by restricting assessed contributions. These predictable sources of funding are out of favor because donors cannot control the agenda supported by assessed contributions. What began as a policy of promoting "zero-budget" growth for assessed contributions has now escalated to "negative-budget" growth.

As the biggest critic and contributor to UN budgets, it is useful to examine the record since 1960, when the US federal budget was \$81.34 billion. By 2010, it had grown to \$2.9 trillion, an increase of thirty-six times. Meanwhile, the US economy had grown from \$520.5 billion to \$14.6 trillion, a twenty-eightfold increase. In 1960, the UN budget was \$65.7 million, and by 2010 it had grown to \$2.7 billion, an increase of forty-one times. Meanwhile, the global economy had grown from \$1.35 trillion to \$63 trillion, a forty-seven-fold increase. As a percentage of the global economy, the UN budget shrank from 0.0049 to 0.0037 percent.

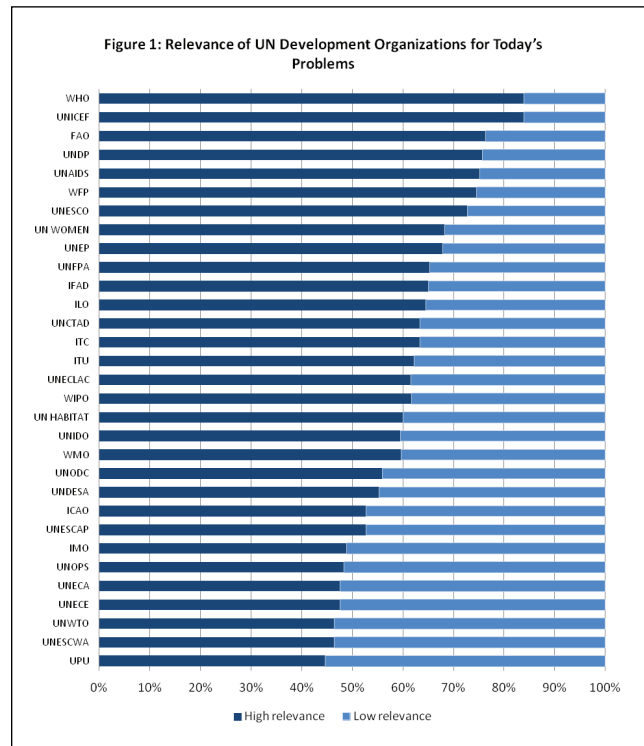
As we look at how the US budget has grown relative to the US economy and at how the UN budget has diminished relative to the global economy, we have to ask: has the demand for global public goods shrunk in the past few decades? The answer to that rhetorical question is that the demand has grown exponentially and will continue to grow as the world population increases from 7 to 8 billion in the next ten years. A higher demand for food and energy will take a corresponding toll on the environment, exacerbating risks such as global warming. UN organizations are to mitigate these risks, ranging from the environment (UN Environment Programme) to population (UN Population Fund), from development (UNDP) to children (UNICEF) and the displaced (Office of the UN High Commissioner for Refugees). If so, why are we shrinking the budget of the one global institution whose primary

mission is to provide global public goods? Is it rational that the United States spends \$2,400 out of every \$10,000 of GNI to finance the national budget, but the global citizen spends 37¢ out of every \$10,000 to finance the UN organization's regular core budget?

National budgets clearly do more than UN budgets: they pay for defense, homeland security, welfare payments, educational resources, and other essential services; and they cater to national needs. I am not arguing that UN budgets should rise to the scale of national budgets. But they should increase at the same pace as global needs, especially as they have increased faster than national needs in some instances.

GLOBAL PUBLIC GOODS

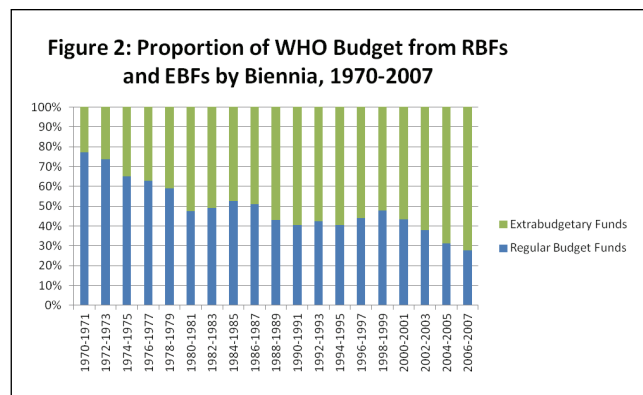
Let's examine two cases of such public goods emanating from the UN development system, health and nuclear energy. In the first decade of the twenty-first century, the danger of global pandemics was obvious from the SARS virus in 2002–3 and the H1N1 bird flu virus in 2009 and again today. Similarly, nuclear proliferation is a vital security issue worldwide. So why are we squeezing the budgets of the World Health Organization (WHO) and the International Atomic Energy Agency (IAEA)?



As we move inexorably toward living in a more and more compact village, one clear common threat is the rapid spread of pandemics. Distances have disappeared. Viruses jump effortlessly across continents. Hence, we should be doing our utmost to strengthen the global health institutions, especially the WHO. Yet as Kelley Lee points out in her recent book, we have done the opposite.² She dissects many flawed policies affecting the WHO, in particular three major strategic errors.

The first is to allow short-term and often sectional special interests to override enlightened longer-term interests in stronger institutions. As the fastest-shrinking and most affluent members of the global village, Western countries have a clear interest in strengthening the WHO to improve global health conditions and to develop its capability and legitimacy to fight major global epidemics. SARS began in a small village in China. From there it went to Hong Kong, and from Hong Kong it leapt to two cities on opposite sides of the global village: Singapore and Toronto. WHO helped ameliorate this crisis and gets high marks from respondents worldwide in a recent poll conducted by this project (see Figure 1).³ Rather than strengthening the organization and providing more resources, however, the major Western contributors have starved WHO.

In 1970–1, the WHO received 72 percent of its budget from Regular Budget Funds (RBFs) and 18 percent from Extra-Budgetary Funds (EBFs). By 2006–7, the ratio had reversed to 28 percent from RBFs and 72 percent from EBFs. The WHO can make long-term plans only on the basis of RBFs. But EBFs can disappear overnight, at the whim of donors (see Figure 2).⁴



To make matters worse, the “Geneva Group” of 14 major Western donors introduced zero real growth to the RBFs of all UN organizations, including the WHO. This policy continued under both the more internationally minded Clinton-Gore administration and the less enlightened Bush-Cheney one. In short in Washington and elsewhere, the decision to starve UN organizations was not driven by ideology but a myopic desire to control the global agenda.

The second strategic error was to allow the traditional Western interest in biomedicine, with its focus on individual behavior and biology, to trump growing global interest in social medicine, with its emphasis on understanding and transforming social conditions underlying health and disease. Policies toward the WHO are heavily influenced by the big pharmaceutical corporations, whose bottom lines reflect individual health spending not collective well-being.

Lee adds that “the rise of neoliberal-based fiscal policies brought even greater restrictions on public spending on health.”⁵ In short, once again ideology trumped real life-and-death experience. In Colombia, for example, only 9 percent of children were covered by the DPT vaccine in 1975. This increased to 87 percent by 1990.

Despite the success of these relatively inexpensive public health efforts, the United States opposed them.

The third major strategic error has been to dilute the role of the WHO as the leading global health agency and augment resources of the World Bank for health. The Bank’s lending on health went from roughly half of the WHO budget in 1984 to more than two and a half times larger in 1996, which reflected Western influence over the Bank’s leadership and agenda. Moreover, the creation of large private foundations, especially the Bill and Melinda Gates Foundation, also undermined the central role of the WHO. As Anne-Emanuelle Birn says, “In part-funding selected initiatives, the [Gates] Foundation has influenced the decisions of other donor agencies, and thus global health priorities in general.”⁶ As a result, Lee concludes, “for the WHO, it has meant a substantial bypassing of its role as the lead UN health agency.”⁷

As the most prosperous occupants of an ever-shrinking global village, Western populations have a clear interest in preventing the emergence of epidemics. No Western state has the moral or political authority to investigate the internal health conditions of other states. The WHO does. Similarly, neither the World Bank nor the Gates Foundation has the authority or legitimacy to galvanize instant global cooperation to deal with an epidemic. The vast majority of Third World countries who live outside the West often hesitate to allow the World Bank or the Gates Foundation to come into their countries and investigate their contributions, directly or indirectly, to any new global epidemic. But they normally open their doors to WHO representatives because they perceive the WHO to be defending global, not narrower, interests.

The mistakes in dealing with global health are replicated for nuclear proliferation. The logical consequence of a fear about such proliferation should be to strengthen the global council that deals with this problem, namely, the IAEA. As a member of the Commission of Eminent Persons to review the future of the IAEA, I was shocked to learn that despite the rhetoric after 9/11, it had been subjected to the same zero-budget-growth policies applied to all UN organizations.

One of its key roles is the inspection of nuclear power plants to ensure compliance with international standards and verify the absence of diversion of fuel for weapons. The IAEA needs to keep on its regular payroll a strong and large team of dedicated nuclear inspectors, who will stay with the IAEA only if they have guaranteed good remuneration and lifelong career prospects. The IAEA can provide these terms and conditions only from reliable and predictable contributions. The West should be increasing the assessed and not voluntary contributions. But the exact opposite has occurred.

CONCLUSION

It is time, especially for the United States, to invest in the UN system. The impact of ending its zero-budget policies on the American economy and national budget would be inconsequential. The budget of the New York City Fire Department, which serves one city, is

\$1.5 billion a year. The budget for the UN's core functions—the Secretariat operations in New York, Geneva, Nairobi, Vienna, and five regional commissions, which serves the whole world—is \$1.74 billion a year. Yet this financially inconsequential decision by the US government would bring enormous benefits if it led other donors in the North and the global South to invest more in global public goods for our small global village. It would be good for America; it would enhance global stability and trust; it would be a win-win investment.

To revive weakening multilateral institutions, the place to start is reversing the “zero-growth” for UN budgets, with trivial costs. Global defense spending amounted to \$1.63 trillion in 2010. The UN regular budget stood at \$2.58 billion per year for the year 2010–11, or 0.16 percent of global defense spending.

As stronger multilateral processes and institutions serve long-term Western interests and are inexpensive, we can and should abandon zero-growth budget policies and also begin to adapt other simple and sensible policies to strengthen multilateralism. For example, we should introduce the concept of meritocracy in the selection of the heads of all multilateral institutions by picking the strongest possible candidate to run these organizations.

Common sense would take us a long way. Since humanity at large is becoming better educated and more reasonable as a result of the great convergence, we can now apply these powers of reason and common sense to create a better United Nations and a more effective UN development system.

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NOTES

1. Asmita Naik, “Can the UN Adjust to the Changing Funding Landscape?” *FUNDS Briefing 2*, March 2013.
2. Kelley Lee, *The World Health Organization* (London: Routledge, 2009).
3. Stephen Browne and Thomas G. Weiss, *Making Change Happen* (New York: WFUNA, 2012), 33.
4. WHO annual financial reports, and Lee, *WHO*, 40.
5. Lee, *WHO*, 79.
6. Anne-Emanuelle Birn, quoted in *ibid.*, 116.
7. *Ibid.*, 117.

