

Reforming the UN development system

The United Nations (UN) has three principal areas of responsibility: Political affairs, humanitarian and peacekeeping affairs, and economic and social development. The last, administered by the UN development system (UNDS), is an irrelevance.

António Guterres, the incoming secretary-general, has two opportunities to make the UNDS relevant. The global financial crisis has exposed the bankruptcy of the ideas framework of the World Bank and the IMF. Climate change discussions have also brought the need for trade-offs between growth and sustainability sharply into focus. Inequality and exclusion are bringing profound domestic political changes in the leading economies of the world. People forget that historically, the UNDS, in these situations, has delivered ideas that change minds. It took the lead in developing the analytical framework for human development, took intellectual leadership on sustainable development, and brought gender into the mainstream. The UNDS, therefore, has an exciting opportunity to make an impact today.

Second, the increasing importance of emerging market economies (EMEs) has the potential to simultaneously bring new ideas and broader ownership to the UNDS. The SDGs provide an organising framework for thinking about the future but must be shaped from a laundry list to a milieu of policy actions that are country and situation specific. This is something developing countries are keen on and EMEs have both the capacity, and the incentive, to invest in.

To exploit these opportunities, Mr Guterres will have to resolve three important challenges. First, if the UNDS is about “ideas changing minds”, its business model will

have to change. It is still stuck in the ‘money changing hands’ game. My former organisation, the United Nations Development Programme (UNDP), is a prime example. Its’ core business continues to be managing transfers of money for technical assistance from donors to recipients. Its only innovation has been to become an alternative source for channelling government funds where domestic systems are broken. Thus, the UNDP’s main business is in donor dependent or crisis ridden countries, or in failed states. This renders it subservient to a small group of rich countries which continue to invest in the donor-recipient game, and limits its ability to work in the ideas business. The regional economic commissions and headquarters arms of the UNDS also do

nothing at the cutting edge of ideas any more. They provide no solutions. They have become event managers. Seeing this, EMEs ignore the UNDS and it stays irrelevant.

Second, such behaviour by the EMEs itself reflects a lack of intellectual clarity. The EMEs continue to pay disproportionate attention to the World Bank and IMF, despite being marginal players there, as they remain focused on money changing hands. As a result, the main reason for their lack of footprint in the global development landscape remains unchallenged. The main conversation on finance happens in Washington DC, London and Basel and is dominated by rich countries, with the G20 acting as a fig leaf. Conversations about inequality and sustainability are a side show that happen on a separate New York-Paris-Nairobi track, led by the UN, and are largely irrelevant. This is so by design; the United States and its allies deliberately kept the institutions over which they had majority control outside the UNDS so as to ensure that their concerns had both voice and priority. The EMEs have been unwit-

tly collaborating with them. The recent rewriting of debt sustainability analysis to allow the IMF to intervene in Europe without political conditionality served Europe well, and was bankrolled by the EMEs. The IMF, World Bank and OECD continue to dominate the intellectual agenda of the G20, and the EMEs foolishly let this happen.

The third challenge is staffing. When at the UNDP, I would warn job-seekers that the UNDS only recruited on merit in times of grave urgency. There is no professional recruitment system in place for any arm or agency in the UNDS. Nepotism is rife. UN permanent missions of all countries devote huge attention to getting jobs for their colleagues and children of their elites. Too many diplomats are appointed to positions from which they have no professional qualification.

As a result, while the UNDS has a few passionate, competent individuals who can deliver ideas that change minds, they have to coexist with colleagues who have no standing in the global market for professionals with ideas. The latter category know this, and have every incentive to maintain the status quo, and reject change to protect their lifestyle. They are happy to live with the irrelevance of the UNDS. The competent minority are, therefore, institutionally ineffective.

Mr Guterres can make the UNDS effective and relevant if he is committed to making the UNDS an institutional force in “ideas changing minds”. The old management team comprehensively failed and cannot provide a benchmark. The new leadership of the UNDS will need to be intellectually substantive, but also demonstratively competent in selling the case for the UNDS to the EMEs, while reforming and professionalising its institutional apparatus and removing the lifestyle dead-wood. A tougher intellectual ask from the UNDP, and a hard look at the relevance of regional commissions and headquarters organisations will also be necessary. If this reform of the UNDS happens, it will be the surprise legacy of the new Secretary General.

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