

REVIEW ESSAY

Bertil Odén

The Nordic Africa Institute (NAI), Uppsala, Sweden

The UN and Development: From Aid to Cooperation

Olav Stokke

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‘The orchestra pays minimum heed to its conductor’ (Childers and Urquhart, 1994).

The UN was the first arena in which the concept of modern development assistance was shaped. UN agencies and programmes were, together with the former colonial administrations, among the early operators of development aid. A number of the earliest ideas and norms were born within this system.

Sixty-five years and three world orders later the UN system is still an important development actor in a totally different world. The tiny instruments for aid to underdeveloped countries have developed into a huge development cooperation industry, with more than 250 international and national agencies and hundreds of civil society organisations. The major ones are setting the development agenda, and the rather simple issue of helping poor people has grown into a complex web of interrelated policy areas where humanitarian emergency aid, long term political and social development, national and global security, climate and environment, trade and investment provide some of the ingredients.

The UN is thus an actual and potential platform for shaping norms but also a machinery for providing development assistance, consisting of around 60 agencies, programmes and special funds. How did this development take place?

Olav Stokke’s book *The UN and Development: From Aid to Cooperation* is a significant source for a better understanding of this process. It provides more than 60 years history of the UN development thinking and operations on more than 700 pages. The author, a senior researcher at the Norwegian Institute of International Affairs (NUPI), has taken on a brave task when writing this study.

It constitutes volume 12 in the United Nations Intellectual History Project, which started in 1999. The purpose of the project is to trace the origin and analyse the evolution of key areas and concepts of international economic and social development that were born or have nurtured under UN auspices. Among previous volumes can be mentioned the first one *Ahead of the Curve? UN Ideas and Global*

Challenges? (Emmerij et al., 2001) and *UN Contributions to Development Thinking and Practice* (Jolly et al., 2004). Issues like women and development, human security and human rights are covered in separate volumes, explaining why they are not taking a more prominent position in this one. It is not the entire UN apparatus that is the object of the study but some of the bodies dealing with developing cooperation.

It should immediately be stated that Stokke has successfully woven a comprehensive, detailed and thought-provoking UN aid and development tapestry. It rewards the thorough perusal of the returning visitor. Because of its apt details and skilled craft it will certainly be used as a central reference work for scholars interested in the history of UN development cooperation, including its underlying ideas and driving forces.

This does not exclude that the book could have been further improved if the analysis of the long term trends had taken a more prominent role at the expense of the descriptive presentation of the organisational development. In short – I would have preferred more of ‘why’ and less of ‘how’.

Outline of the study

According to the introduction, ‘The main focus throughout this study will be on how the idea of development assistance has been conceptualized and institutionalized in terms of rational, objectives, major principles and norms, and strategies and means’ (Stokke, 2009: 22).

The author applies an international relations perspective to development assistance, drawing on the theory of international politics. As Stokke points out, this brings power and power relations to the forefront. As a complement, another set of theories, taken from international organisation theory, is used.

The book is mainly chronologically organised, presenting the UN development cooperation system, the shifting ideas driving it and its organisational and technical development over the decades.

The author begins by exploring the start of international development assistance through the United Nations system, from where the idea came and how it was institutionalised. He traces the early roots of international development assistance and tells the story of the first steps to provide it, the main objectives, basic principles for implementation and the chief outcomes. Then follows the history of the efforts to create a UN institution for concessionary capital assistance as a complement to the technical assistance provided by the Expanded Programme for Technical Assistance (EPTA), and how it lost out to the World Bank and its creation of the IDA. The UN had to confine itself to a very modest Capital Development Fund.

The second part starts with an analysis of the idea to launch the 1960s as the first UN Development Decade, with its approach of internationally agreed targets for economic growth and for development within specific sectors. Another line follows the attempts to convince the rich countries to commit and implement a volume target

for the capital flows (public and private) to developing countries, later converted into the 0.7 per cent target for Official Development Assistance (ODA).

Then follows the second Development Decade (DDII) with its major goals and objectives for the 1970s. During this decade much attention was given to the UN declaration on a new international economic order, aiming at a radical change of the international rules in a number of important areas such as trade, shipping, agriculture, industry, mineral extraction, and so on. This part also contains chapters focusing on two major operational development programmes of the UN system – the United Nations Development Programme (UNDP) and the World Food Programme (WFP).

By the late 1960s the attention of the UNDP was increasingly directed toward the challenges ahead, stimulated especially by the work on the strategy for the DDII and the efforts to improve the delivery system, based on a capacity study undertaken by Sir Robert Jackson.

The chapter on the World Food Programme (WFP) relates its history during the first twenty years, and explains the challenges of a programme distributing food from surplus countries to emergencies in poor countries. Its starting point was how to get rid of the food surplus of the United States without reducing the export prices for the commercial exporters. Food aid soon became part of a broader perspective – that of providing food security. WFP then became a forum for discussions between donors and recipient governments on food aid policy. When the idea of food aid first appeared it had been bilateral and supply-driven; through the development of WFP it became more demand-driven.

Part three covers the major developments of the UN system's aid policy in the 1980s and 1990s. This includes the crisis in the late 1970s and early 1980s, with international stagflation, affecting most OECD countries, and a soaring debt crisis in many developing countries. An ideological shift occurred to neo-liberal economic thinking and macro economic policy. The role of the state was to be minimised and the role of the market maximised. These changes made the International Monetary Fund (IMF) and the World Bank dominate the agenda setting of development policy. The first generation of structural adjustment programmes, including macro economic aid conditionality was one of its results, moving the focus of development cooperation from poverty reduction to macro economic stability. By the late 1980s alternative policy initiatives emerged, both in the form of adjustment with a human face (UNICEF, 1987) and with focus on sustainable development and environmental challenges (UN, 1987).

After the collapse of the Soviet Union and the end of the Cold War, a new setting for international development cooperation emerged in the early 1990s. The focus of the donors shifted towards a new realm of conditionality, promoting democracy, human rights and good governance. The state re-emerged as an important factor, with the main task of making the market work. The focus of development policies turned increasingly to institution-building.

In the following chapters the UN vision for the 1990s is discussed, when the UNDP Human Development Report and the Human Development Index were introduced, and a number of thematic world conferences on social and human dimensions of development were organised.

The aspirations were high for the first fifteen years of the new millennium as formulated by the UN Millennium Summit, the subsequent commitment to the Millennium Development Goals (MDGs) and the monitoring through the Millennium Project. This improved the relative position of the UN within the international development community.

The concluding chapter directs attention to some major contributions of the UN system within the policy area of development assistance. It focuses on the UN's role in generating and maintaining norms for international development cooperation, its role with regard to development funding and in shaping long-term programming and planning. Here Stokke also discusses the gap between the principle of national sovereignty and the fact that it took 40 years before the UN system transferred responsibility for implementation of its projects to the recipient country, the preference for project support and the strong UN advocacy for reaching the 0.7 percent ODA volume target.

The chapter also includes an analysis of the ongoing cycles of UN development system reform. A more overarching issue discussed is the possibility of a trend towards a more coherent international development policy.

Some permanent issues on the UN development agenda

A number of issues can be identified which have continuously been high on the agenda of UN development cooperation. Using Stokke's discussion as a basis I will comment on six partly interrelated elements of the UN development cooperation agenda since its beginning:

- the balance between the normative and the operational role of the UN development agencies and other bodies;
- the governance of the UN system;
- the dream of an international development regime – development decades and mega-conferences;
- competition with the Bretton Woods Institutions;
- the power balance within the UN system; and
- the main contribution of the UN system.

Normative versus operative role

Stokke emphasises that in a world driven by Cold War rivalry and bilateral aid, involving the UN made an important difference. The UN specialised agencies were created to act as norm-setters and platforms for discussions of normative character and

policy issues in their respective fields. Gradually they evolved into more and more operational institutions, partly overlapping with the specific funds and programmes being created over the years.

This trend was enhanced by the way in which donor countries have handled their support. Increasingly, donor money to the agencies has been earmarked, with the agency as the implementing agent. Funding has thus been made available to the agencies on the condition that it is used for the purpose the donor decides. Specialised agencies have seen this as a mechanism to increase their operations, and they have accordingly become more and more operational.

Here there is a measure of contradiction and hypocrisy from the donor member countries, as at the same time they argue that the UN agencies should act as the normative institution they were originally intended to be. This is difficult to achieve when the donors simultaneously, through their earmarking of funds, transform the UN agencies into a franchising operation, including a large number of trust funds with agendas of their own and more money than the core budget of the agency or programme.

The governance of the UN system

The call for reforms came early on, with mounting problems to coordinate the development activities of the increasing number of UN agencies and programmes. The Jackson capacity study was published in 1969. It suggested a structural reform of the administrative system, including the introduction of country programmes, putting all areas into one frame and thereby facilitating improved coordination between the various UN agencies and programmes. This was a pioneering attempt to handle serious coordination and governance problems. Its main ideas are reflected in many later reform attempts, including the *Delivering as One* report from 2006.

Since the late 1960s more than 50 proposals for UN reforms have been put forward, originating either from within or outside the UN system (Carlsson, 2007: 59). Some of them have brought about changes in the system while others have stimulated dialogue and influenced international public opinion without being formally adopted and implemented. Only two sets of proposals in the 1990s came from the UN itself: the Secretary General Boutros-Ghali's agenda of 1992 and the reform proposals of Secretary General Kofi Annan of 1997 and 2002 (ibid.).

The Nordic countries have over the years jointly initiated a number of reform projects that should have been worth mentioning, including the Nordic UN Project (1991), supplemented by a further report in 1996. Regarding UNDP, the overall aim of the suggested reform process was 'to transform UNDP from basically a funding mechanism into a stronger development institution ... It should thus put more emphasis on human development, institution building and the central functions of government, policy-making, training and capacity-building.' (Nordic UN Project, 1991: 59).

The report from a high-level panel entitled *Delivering as One* from November 2006 is the latest reform attempt. It critically describes some of the reasons why the

UN has become fragmented and weak: ‘from a lack of buy-in and mixed messages from member states between capitals and representatives in various bodies, to a proliferation of agencies, mandates, and offices, creating duplication and dulling the focus on outcomes, with moribund entities never discontinued. Even when mandates intersect UN entities tend to operate alone with little synergy and coordination.’ (UN, 2006: 9).

The key recommendation in the report is to establish one UN at the country level with one leader, one programme, one budget and where appropriate one office. The implementation of this approach is being tested in eight pilot countries. At a follow-up seminar in 2008 it was noted that a number of constraints continued to impinge on the implementation, ‘including lack of predictability, lack of harmonisation and simplification of business practices, high transaction costs of the UN, poor alignment with the priorities of programme countries and low level of use of national operational capacities’ (DAC, 2009: 98). The image of the UN as a highly bureaucratic institution may be correct in many cases, but unfortunately it is also tainting some of the more effective agencies, such as the UNICEF.

Slow progress is partly due to lack of interest among UN bodies. Stokke rightly criticises many of the donor countries for having contributed to the worsening of the situation by increasingly earmarking the use of their extra funds to the different UN bodies. This also puts the UN agencies among the least successful implementers of the Paris Declaration principles of harmonisation, alignment and ownership.

Major operations, particularly those involving humanitarian emergencies, have repeatedly revealed lack of effectiveness and efficiency, and weaknesses in coordination among the many arms of the UN system. At the same time the role as a legitimate coordinator is – or should be – the most crucial for the UN during major emergencies.

The dream of an international development regime – development decades and mega-conferences

At the time of the conception of the new UN system after the Second World War it was felt that the world needed more international governance in order to avoid repetition of what had led to the war that had just ended. Since then the world has become increasingly complex, with ever increasing need for international governance.

The dream of an international development regime has thus been part of UN thinking since the early days. Stokke argues that agreement on general aspirations including aid objectives at a high level of generalisation is essential but not sufficient. Agreement among most actors, including the major ones, on more specific objectives and how to achieve them is also needed. In the past most of these other components have been absent or weakly developed.

One of the UN system’s main contributions to the international development agenda has been the global strategies and goals for development that have been launched – from the first Development Decade in 1960 to the Millennium Declaration

in 2000. During these development decades more than 50 international conferences or summit meetings have been organised adopting declarations containing highly ambitious goals for development in a wide range of policy areas – from the World Summit for Children to the World Assembly on Ageing, from the World Food Conference to the World Conference on Women, from the UN Conference on Research and Technology for Development to the World Conference on Human Rights.

According to Stokke, a start has now been made towards an international development regime, and the UN Millennium Assembly in 2000 was instrumental in mobilising a stronger international consensus around some of the vital objectives that emerged from the global conferences of the 1990s. He also refers to the Millennium Project proposal of 2005 and its conclusion that the necessary costs would be covered if the major OECD countries met the 0.7 per cent target.

As Stokke points out, there is a lack of a sufficiently forceful mechanism to implement the declarations and commitments. However he does not fulfil this line of thought by discussing what factors made it possible during a period of forty years for both rich and poor countries to commit themselves to various targets at a long series of international summits and then fail to deliver. As a result, the legitimacy of such commitments has been eroded. The dream of an international development regime must also contain a mechanism for priority setting between the commitments from the various international summits.

The UN still is an important platform to confirm negotiation results, but it has become weaker as a negotiation mechanism. The latest example, and one of the most obvious, was the UN Climate Summit in December 2009. Today G20 and various ad hoc constellations are necessary to handle complicated international issues. The governance systems of the IFIs and the UN have to be reformed much more drastically than what has been achieved in recent years, in order to reflect the present day economic and political balance of power.

An assessment of the impact on the development agenda and UN operations of the Development Decade resolutions would have been welcome, as would a summary of what UN mega-conferences over the years have achieved. I can identify four effects:

- (1) Internationally agreed political objectives and minimum targets regarding resource mobilisation are defined, although normally the commitments are formulated in a non-binding way.
- (2) New information and recent research findings are reaching a broader international audience.
- (3) Commitments regarding increased resources to be allocated to the area(s) of concern for the conference. These resources are often not additional but the result of reallocation within existing aid budgets.
- (4) A plan of action is adopted in order to reach the agreed political objectives. Such plans are seldom implemented, but can be used by NGOs and others when putting pressure on their governments to implement them.

Are there other more effective and less costly ways to reach these results than mega-conferences?

The power balance between the UN system and the Bretton Woods Institutions

The UN and the Bretton Woods Institutions were established to complement each other. Over time both the World Bank and the UN institutions have gradually expanded their roles and instruments. The study now and then touches upon the changes in their power balance. Stokke notes that what can be termed ‘hard’ political issues, including finance and trade, have increasingly been transferred to bodies where the major industrial powers are in almost exclusive control. Examples are the Bretton Woods Institutions and the World Trade Organisation. The World Bank Group has from the 1970s expanded its operational powers even within ‘soft’ issues.

After a long period in the shadow of the Cold War, the 1990s opened up the possibility of a new vision for development cooperation. There was a strong hope for a ‘peace dividend’, increasing the volume of international aid. This, however, did not materialise. A series of regional and interstate conflicts and wars demanded more attention and resources from the international community. The former Soviet bloc became a recipient instead of a provider of aid, and the international aid agenda got an additional objective – to support the transition from planned economy to market economy and from one-party to multiparty parliamentary system.

The Millennium Summit and the focus on the MDGs during the early years of the third millennium implied that UN agencies, including UNDP and the Office of the Secretary General, regained some influence on development agenda setting. This trend was reinforced when a number of middle income countries paid back their outstanding loans with the Bretton Woods Institutions, in particular the IMF, in order to be more independent in their economic policy. The recent global financial crisis changed this trend, as in particular the IMF received a crucial role as an instrument to mitigate the effects of the crisis, including substantial funding for this purpose. At the regional level, the Regional Development Banks have had a stronger impact on the agenda setting than the UN Economic Commissions. I would have welcomed this regional perspective also being included.

As there is a substantial difference between the UN’s ‘soft and holistic’ and the IFI’s ‘hard and income related’ definition of poverty, it is important to assess who is setting the agenda, or rather which power balance between them prevails. Ideally such an analysis should also include the EU, OECD/DAC and the most influential emerging donors, such as China and India.

The power balance inside the UN system

From the late 1940s to 1990 there was one East–West political divide, based on the Cold War, and from the 1960s there was also a North–South divide. In the 1990s the East–West divide evaporated and the South become more and more heterogeneous

with the rapid economic growth of the emerging economies. After 11 September 2001 the US-led war against terror introduced a new frame for the development cooperation, similar to that of the Cold War, but with different coordinates.

During the initial period the US was the dominating power and provider of funds. In Washington the UN was looked upon as an instrument for US foreign policy, and for years it provided most of the funding.

President Kennedy proposed that the 1960s be declared the UN Development Decade, thus emphasising the need for a long-term perspective. Care was taken to ensure that programmes organised in the UN did not negatively affect Washington's own bilateral programmes.

With decolonisation the number of independent member states increased and from the 1960s they started to coordinate in the Group of 77 (G77), which gradually changed the balance of power. In the 1970s the UN and in particular UNCTAD served as the main arena for developing countries' demands and a de facto secretariat of the G77.

During this period new and ambitious ideas were generated within the UN system, including the setting up of a UN Economic Development Administration, combining technical assistance with financial assistance from UN bodies. This idea gained strong support from developing countries but not from the United States and other major western countries.

The distribution of leadership posts within the UN reflects global power relations as well as the power of the purse. Traditionally the United States has nominated the administrator of the UNDP, the president of the World Bank and the chair of the DAC.

US influence on UN development policies was reduced in the late 1970s. The US debt to the UN system was growing as a result of delayed or failed annual payments. From the early 1980s the US cut off its reform dialogue with the UN and reduced funding. This continued into the 1990s. The US withdrew from ILO from 1977 to 1980 and from UNESCO from 1985 to 2002.

With less funding and a continuous decline of its ODA/BNI share, the US had to leave the chairmanships of the DAC and the UNDP in 1999. The automatic US nomination of the World Bank president continued during the first decade of the 2000, but under increasing challenge.

The UN system's main contribution

The most important single contribution of the UN system to development and development cooperation is difficult to single out. After some reservations, Stokke offers the following answer as his choice: '... to generate and successfully promote globally a holistic development concept, almost consistently keeping the social and human dimensions of development at the core.' (Stokke, 2009: 510). According to Stokke, the UN system has responded to a wide range of economic, social and cultural realities and to governing systems across the full spectrum of ideologies. Resources have been

limited and thinly spread, unlike capital intensive projects funded by development finance institutions and major bilateral donors. Lessons learnt from this kind of a heterogeneous, largely horizontally organised and increasingly decentralised system, will by necessity be different from those of a closed, vertical and centralised type of organisation. This has always been the weakness of the UN system. However, it has at the same time given strength to the system, especially in conceptualising development and forming development strategies.

I tend to agree with Stokke on this point, but I would also have welcomed if Stokke had critically discussed why the UN system has never, as far as I know, analysed in depth why development strategies, including the development decades, have failed to reach their objectives. They instead just decide upon a new strategy.

I would like to add that one of the UN system's most important roles should be coordination of humanitarian aid in emergencies and conflict aid. Unfortunately this is a weak point, which is partly due to the ineffectiveness of and competition between the UN bodies. The main responsibility for this situation lies with a number of major member countries, who never have permitted the UN institutions to use their full potential and instead for reasons of national security, commercial or alliance building have obstructed the necessary decisions.

Concluding comment

A major value of the book for readers interested in the role of UN in international development cooperation is its detailed presentation of the UN's development, from a limited technical assistance activity into today's machinery of agencies, special programmes and funds, seemingly impossible to govern and coordinate. Another is the analysis of the factors behind the governance and effectiveness problems of the UN development cooperation machinery, which provides the reader with a better understanding of why it is so difficult to use the bodies of the organisation in a coherent and constructive way.

Finally, Stokke writes in his concluding chapter: 'During the six decades covered in this study, the world has changed more dramatically than perhaps in any previous period, involving both its more-developed and less-developed parts. Against that backdrop, it is amazing that most of the major norms that were pursued at the beginning of the read are still at the top today.' (Stokke, 2009: 482). Stokke's comment is certainly correct, but it is still problematic reading to me. One example: the UN system is probably where the entrenched interests of keeping the distinction between two obsolete categories – developed and developing countries – are the strongest. Avoiding taking into consideration that for decades such a dualism has not covered the reality of the situation – in which emerging middle income countries, transformation economies and regional constellations of states are increasingly more relevant – is a major obstacle for the UN system in its endeavour to find a more important and constructive role in the realm of development cooperation.

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