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Reform agenda 2005: The United Nations at a historic fork of the road

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Reform Agenda 2005: The United Nations at a Historic Fork of the Road

2005 could well prove to be the decisive year for a revitalization of the United Nations. The present reform constellation is more favorable than it has been for years. A conference of the world's heads of state and government scheduled for autumn 2005 offers a historic opportunity to identify cooperative solutions for crucial conflicts in the global arena and to revamp the world organization with a view to bringing it into line with the challenges of the 21st century. The task topping the agenda is no less than to take a new look at the groundwork needed for an effective multilateralism, the ultimate aim being to ensure that security and

prosperity, sustainability and equity become a reality for all people on the planet. The German government should make use of the dynamics developing over the coming months in order to stake out a position of leadership in the task of further developing the structures of the international system. This calls for timely and strategically placed contributions. If the member states fail to come up with significant successes in 2005, it will be a long time before anything is moved in the United Nations. A failure of the conference would heighten the antagonisms between poor and rich, between North and South, and jeopardize global stability.

I Structural Problems of the UN System

In September 2005 (nearly) all of the world's heads of state and government will be assembled at the headquarters of the United Nations in New York (see Box 1). At the outset of the 60th General Assembly the international community will examine what progress has been made on the Millennium Declaration as well as in connection with the world conferences of the past decades. What is at issue here is far more than development themes. It has already become clear that the delegations are determined to work through a comprehensive list of issues under dispute between North and South and to address the question of institutional reforms of the UN system.

To realistically assess the conference's prospects of success, we must start out by taking a look at the UN's structural problems. Since the UN's foundation in 1945, design flaws, above all as regards the principle intergovernmental organs, the General Assembly, the Security Council, and the Economic and Social Council, have prevented the world organization from developing into "the indispensable common house of the entire human family" (Millennium Declaration). The UN's operational structures are also widely seen as problematic.

- The General Assembly (GA), with its current 191 member states, includes dictatorships and democracies alike. In keeping with the principle of "one country – one vote," all members enjoy the same formal rights, regardless of their population size and economic strength. The GA's proliferating agenda, large membership, and the principle of consensus to which

it is bound are responsible for its laborious discussions and often empty resolutions. The latter are no more than recommendations without any binding effect.

- The Security Council, on the other hand, is authorized to take decisions binding on all states. However, the Council's authority is weakened by the fact that the body continues to reflect the power relations that emerged at the end of the Second World War. Not one country from Latin America or Africa is among the Security Council's five permanent members. In cases of outbreaks of violence or human rights violations the Security Council is often doomed to inactivity when individual veto powers prevent joint action. And when the Security Council does finally decide on peace missions, they are often unable to fulfill their mandate for lack of adequate funding and equipment.
- The Economic and Social Council (ECOSOC), entrusted by the Charter with a global coordinating function, leads a shadowy existence. The most powerful industrialized nations have set up separate coordinating bodies of their own, e.g. the G7/G8; and as far as the World Bank and the International Monetary Fund are concerned, these countries generally have their own way in them without having to pay much heed to political majorities in the UN.
- But it is not only the intergovernmental organs that have come in for criticism. The UN administration as well as the UN's operational funds, programs, and specialized agencies have likewise been faulted.

Overlapping mandates and fragmented areas of responsibility continue to weaken the overall system, even though some significant progress has been made in the areas of administration and coordination. Moreover, the UN is chronically underfunded, and the UN's development-related activities in particular are kept on a tight rein by some donors.

Box 1: Timetable 2005	
Dec. 2, 2004	Report of the High-level Panel on Threats, Challenges and Change
January	Report of the Millennium Project (Jeffrey Sachs)
Feb. 9-18	Copenhagen+10, Commission for Social Development, New York
Feb. 28 – March 11	Peking+10, Commission on the Status of Women, New York
March	The Secretary-General's Third Reform Report
April 16-17	Spring meeting of IMF and World Bank, Washington, D.C.
May	Report of the Helsinki Group on Globalisation and Democracy
July	Report of the International Task Force on Global Public Goods
June / July (still open)	High-level Dialogue of the General Assembly on the Monterrey follow-up process, Geneva
June 28 – July 23	ECOSOC, Geneva
July 6 – 8	G7/G8 summit, Scotland
July 19 – 21	NGO conference on Global Partnership for the Prevention of Armed Conflict, New York
September 14-16	Summit on the occasion of the opening session of the General Assembly, New York
December	WTO ministerial conference, Hong Kong
Materials presently available:	
Report of the ILO's World Commission on the Social Dimension of Globalisation	
Report of Cardoso Panel and the UN Secretary-General's statement on UN-Civil Society Relations	

A good share of the weaknesses outlined here fall within the responsibility of the member states. These weaknesses are the logical outcome of a politics that places short-sighted national egoisms above the common interest in seeking collective solutions to world problems. Certain deficits – including e.g. a lack of democratic legitimacy on the part of some member governments or the arduousness of opinion-formation processes in a large-scale organization – are systemic in nature and will prove more or less immune to reform. This, however, in no way diminishes the UN's indispensable role in crafting a participatory world order (global

governance). Under this roof it is possible for changing coalitions to achieve progress even in cases where not all member states are willing to go along.

II Signs of Hope for Reform

Hope for a breakthrough in 2005 has grown despite the present, difficult situation in the United Nations. The following factors play a key role in this connection:

- As the recent Iraq war has shown, military unilateralism is not a viable basis for peacebuilding and security. The world organization is in possession of a unique universal legitimacy for crisis prevention and humanitarian intervention. In view of the fact that no one country acting on its own is in a position to protect itself from growing risks in a globalized world, there is growing demand for collective security structures.
- Interest in multilateralism is further fostered by the insight that in the coming decades the world is more than likely to grow out of a situation of unipolarity and into a multipolar constellation, with the growing weight of anchor countries like China, India, and Brazil providing for a redistribution of global power. The best approach to diminishing the risk of violent ruptures in the transition phase would appear to be to integrate these countries into rule-based global systems.
- The traditional preeminence of the North in the world economy is running up against increasing resistance from the South. The G7/G8 no longer represents all of the world's relevant economic powers, as it did when it was founded 30 years ago. In the future it will no longer be possible to coordinate global economic and monetary policy without the anchor countries. This has encouraged the willingness of the North to accept the demands of the developing countries for greater representation and a more equitable distribution of the gains from globalization.
- The international community has achieved a high level of programmatic convergence in the areas of poverty reduction and development. The Millennium Declaration and the Monterrey Consensus have defined a universal framework of action that involves donor and partner countries alike. All actors of development cooperation are now gearing their programs to the Millennium Goals, which include, among other things, reduction of absolute poverty by one half, improvements in the areas of education, health, and the environment, and a North-South partnership based on fairness. The importance of human rights and good governance have come to enjoy increasing recognition in this context.

- Successful administrative reforms have led to a tangible increase in confidence in the UN machinery. For Kofi Annan, the UN's highly reputed Secretary-General, the September conference offers the last chance to renew the organization before his term of office expires at the end of 2006. He has continued to bring all of his authority to bear in attempts to bring about a historic compromise between North and South (Global New Deal).

III Core Issues of Global Politics

The negotiation processes leading up to the September summit revolve around three central fields: collective security, world-economic governance, and poverty reduction. These fields are closely interdependent in both material and political terms. Consensus will be possible only on an integrated concept that gives equal weight to each of these three issues. The resolution adopted by the summit should therefore include the following elements if it is to take full advantage of the historic opportunity presently given:

Collective security: This field centers on strengthening the Security Council's hand as the guardian of the monopoly on power in international relations. The conference should to this end decide to enlarge the number of permanent (possibly without veto power) and non-permanent members of the Security Council, and do so in such a way as to strike a fair balance between all of the world's regions. The conference should reaffirm that unilateral preventive wars are not acceptable unless they are authorized by the Security Council on the basis of stringent criteria. The summit should redefine state sovereignty in keeping with the principle of "the responsibility to protect." This would make it possible for the Security Council to suspend the Charter's principle of nonintervention in cases where a government perpetrates or tolerates massive human rights violations against its own population. Another urgent need would be a decision on institutional innovations designed to support states that have suffered from violent conflict. To ensure that the world body is in possession of a viable framework for peacebuilding, the summit should decide to set up a commission of the Security Council in which Council members, ECOSOC, the most important donor countries, IMF and World Bank are represented.

Global economic governance: The world conference should decide to establish a representative body entrusted with the task of coordinating global economic and monetary policy. Numerous proposals have already been advanced; they include, among others, steps to strengthen ECOSOC, authorization for a committee of the General Assembly, or establishment of an economic security council. The most convincing solution would be to upgrade the status of the G20, a body set up in

1999 by the G7 finance ministers, as a forum for discussions with the anchor countries of the South. If the UN were now to be included in such a body, perhaps via the president of ECOSOC and the General Secretary, and the G20 were raised to the level of heads of state and government, it would be possible to create a legitimate Global Economic Council: the L20 (Leaders). The body could also assume co-responsibility for governing the activities of IMF and WTO.

Millennium Goals: The summit should reaffirm that the Millennium Goals cannot be achieved without a massive increase in North-South transfers – a figure frequently cited is an additional US\$ 50 billion p.a. – and decisive steps toward debt relief and trade facilitation in favor of the South. Since the public budgets of industrialized countries have little room for maneuver when it comes to stepping up transfers to the South, the summit should adopt a basic resolution on the worldwide introduction of innovative financial instruments (see Box 2). Particularly well suited for this purpose would be user fees for global public goods, because such fees could serve at the same time to boost sustainability goals and to mobilize additional resources. Furthermore, allocation of IMF Special Drawing Rights to finance the Millennium Goals would be another conceivable approach here.

Box 2: Innovative financial instruments for achieving the Millennium Goals	
Currency transaction tax	Tax on speculative border-crossing financial transactions
Emissions tax	Tax on airline tickets and other forms of energy use
Arms tax	Tax on arms exports
User fees	Payment for the use of global public goods (e.g. international airspace and oceans)
Tax at source	International agreements to prevent tax avoidance and to harmonize national tax rates
Special Drawing Rights	Provision of additional Special Drawing Rights (SDR) for developing countries
International Finance Facility	Earlier disbursement of future development-aid transfers by mobilizing funds in capital markets
Remittances	Administrative facilitation and reduction of costs for remittances by migrants to their home countries

One important measure that could increase the effectiveness of development cooperation would be to improve institutional coherence and division of labor. Building on the structures of the UN Development Group, the conference should decide to amalgamate the four organizations, all of which report directly to the

Secretary-General: the UN Development Programme (UNDP), the United Nations Population Fund (UNFPA), the United Nations Children's Fund (UNICEF), and the United Nations World Food Programme (WFP). Another important step would be to strengthen the financial base of these organizations and to provide multi-year commitments to ensure that their work can proceed on a calculable basis.

Thus far the preparatory process has focused mainly on the fields of security and poverty, while less attention has been paid to the field of world economy. This could prove to be a good strategic entry point for German work in the preparatory process.

IV The German Role

German UN policy has for some time now been shaped by the German aspiration to a permanent seat on the Security Council. The way candidates are viewed in the South is a crucial factor for the success or failure of this aspiration. One negative factor in the eyes of the developing countries is that Germany has remained below the ODA quota of 0.33 percent agreed on in Monterrey for the period up to 2006. In 2003 Germany reached a GNP share of publicly financed development assistance amounting to only 0.28 percent. If Germany is to reach the goal by providing additional transfers, the budget of the Federal Ministry for Economic Cooperation and Development (BMZ) and other contributions would have to be increased by some 20 percent. Thus far, however, both the German finance ministry and parliament have blocked any significant rise in relevant budget appropriations.

Another factor problematic for the German aspiration must be seen in massive cuts in Germany's contribution to UNDP, the UN system's leading development institution. Having provided over € 70 million in previous years, Germany's present contribution to UNDP's core budget amounts today to only € 25 million. This puts Germany in place 10 among the donor countries, whereas it comes in third as far as its contribution to the regular UN budget is concerned. A doubling of Germany's UNDP contribution in 2005 would be a step that would be at the same time relatively inexpensive and extremely effective in political terms. However, a decision taken by the Bundestag's budget committee places limits on any enlargement of Germany's UN contributions; the decision restricts the multilateral share of the BMZ's budget to one third of its overall appropriations. The German government has not yet developed a unified position on the innovative financial instruments mentioned above. While the BMZ has expressed its lik-

ing for the Tobin tax and ecological user fees, the finance minister is backing taxes on arms exports.

Unlike Germany, other donor countries, looking ahead to the summit, have already announced significant increases in development-related spending. The UK, France, and Belgium, for instance, have committed themselves to increasing development expenditures to 0.7 percent of GNP by the year 20015. The UK has attracted considerable attention with its International Finance Facility as well as with a new multilateral debt-relief plan. In an alliance with Brazil, Spain, and Chile, France is working actively for the adoption of new, innovative financial instruments.

Since it assumed power in 1998, the declared goal of the coalition government of the Social Democratic Party and the Greens has been to strengthen the United Nations. The dynamics of the international reform process in 2005 will offer Germany a unique opportunity to reaffirm its commitment to an effective multilateralism. Since it has little room for maneuver for spectacular increases in development-related expenditures, Berlin should seek to distinguish itself in other fields. One central issue for the South, albeit one that has as yet attracted very little attention among the industrialized countries, is the creation of a universal body to coordinate the world economy. The German government should launch a strategic initiative aimed at transforming the G20, which was founded at Germany's instance, into a Global Economic Council (L20) that would include the UN. Whatever comes of Germany's aspiration to a seat on the Security Council, the German contribution to the September conference will shape our country's position in the multilateral system for a long time to come, both in the positive and in the negative sense.



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