

UNITED NATIONS: A COSTLY BUT POWERLESS FORUM

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INTRODUCTION

The Second World War had two profound effects on the anarchical nature of international society. Firstly, it created a bi-polar world and secondly, it made interdependence the hall-mark of post world war. The conflict between the two monolithic giants - the USA and USSR became a dominant reality of the post second world war policy of containment known as the cold war phase. The implosion of USSR and the end of the cold war has given rise to a unipolar hegemonical world order where the US has been calling the shots.¹

The dual process of fragmentation on the one hand and integration on the other which the world was witnessing circa 1945 gave rise to the need for an international organisation which could expand the shrinking space between survival and instant annihilation of mankind. The creation of UN in 1945 was to bring the comity of nations to a forum to prevent the cataclysmic consequences of another conflict and save the succeeding generations from the scourge of war.

INTERNATIONAL ORGANISATIONS AND POLITICAL FORCES

But, international organisations regardless of their fields of activity do not function in vacuum and are not immune to the political forces operating on the international scene. Stoessinger rightly remarks that “any organisation in a position to contribute significantly to the solution of critical problems of International Relations will be subject to buffeting of political forces.”² Hence, the organisation must be considered in terms of the inseparability from the political forces and the trends of time - the configuration of power, the impact of technological development, the sweep of political unrest; the urge for political stability, the drive for domination and the clashes of interests and ideologies. Iris Claude Jr. views international organisations as a “product of International Politics, which largely determines its shape and course of development”.³ International organisations are a combination of functionally independent states and in agenda setting and other functional matters it is the relative power that counts. During the cold war period.

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1 David Caron D., “Reforming the United Nations”, 1994 *Procs of ASIL*, 105.

2 Stoessinger John, “The UN and Superpowers” 14 (1997).

3 Claude Irs, *Swords into Plow Shares: The Problems and Progress of International Organisations*, 4 (1994).

the UN was laid under siege by the two superpowers and now the UN is used as an instrument to advance US foreign policy.

UN: THE FINANCIAL ASPECT

A journey down memory lane shows the gigantic size of the bills of the UN coupled with its complexity which has virtually reduced the organisation to an unreformable Labyrinth. A billion dollar strong bureaucracy has developed a vested interest in the anemic character of the UN. All this may appear to be a harsh judgement but facts are stubborn and it's dangerous to close one's eyes to facts. "But more significantly an alternative international initiative is called for".⁴ "The various bits of elastic and stopgap measures used many times before to get through cash flow crisis have been tried again but are not sufficient any longer."⁵ The UN stepped into October, 1995 in a critical financial situation and a debt of about 3.3 billion dollars by member nations, 205 billion dollars to peace keeping budget and 803 million dollars in the regular budget. The UN's regular budget for 1996-97 biennium is estimated at 2069 billion dollars. Nearly 64% of the budget funds the day-to-day operations of the secretariat i.e. the administrative and staff costs including pensions.⁶

FUNDING AND MEMBER NATIONS

The funding of the UN was intended to be achieved on a bed-rock principle that cannot be diluted or eroded without endangering the entire UN system.⁷ Based on the system of assessment apportioned among all members according to their relative capacity to contribute, it was meant to uphold the principle that it is at least as difficult for a poor member country to fund and contribute (in US dollars) a smaller sum of money to the UN systems' regular budget as it is for a wealthy country to contribute a larger amount. Accordingly, none should have a special voice in the determination of programmes and policies.⁸ However, the democratic has been deliberately overlooked.

The current market approach where individual nations ostensibly talk of contributing the bulk and hence getting its worth has put a question mark on the very future of the organisation. While USA contributes 25% of the entire budget, 6 out of 185 members account for 2/3rd of the budget.⁹ "This concentration holds

4 Jaipal Rikhil, "Dreams and Dilemma" in Bajpai U.S. (Ed.), *Forty Years of UN*, 8 (1987).

5 Hannay David, "Paying for the UN: A suitable case for treatment," *The World Today*, 160, June 1946.

6 "For a Strong and Democratic UN: A South Perspective", 75 (1996).

7 *Ibid.* 22.

8 *See*, Article 17(2) of UN Charter.

9 *See, supra* n. 6.

the UN hostage to the whims and fancies of a few rich nations and helps them to exercise an undue influence over the affairs of UN systems".¹⁰

FUNDING AND DEVELOPMENTAL ACTIVITIES

Furthermore, the practice already well established in the voluntary funding of the UN activities mostly for development, by major contributors has been extended to the regular budget. This trend not only introduced uncertainty in the UN development assistance programmes, but also made it difficult to make future plans. It gave a tremendous fillip to the attaching of conditionalities to resources by the major donors for developmental activities, thereby, helping the North, realise their foreign policy objectives, through the UN, in the Third World. The rich countries withhold the contribution as an arm twisting mechanism.

The essential point is that the UN is not per se functionless. Rather what is sought to be emphasised here is the fact that it has danced to the tunes of a few member states and hence is powerless. The principle of democracy has been thrown to the winds, the hopes and aspirations of the third world countries which forms the majority in UN, like the demand for economic restructuring and a NIEO has been relegated to the back burner.¹¹

UN AND THE SUPERPOWERS

Paradoxical as it may sound UN was condemned to function under the shadow of cold war even before it came into existence. Negotiations over the substance of the Charter from 1942 to 1945 were interwoven with negotiations on more concrete issues of high politics that emerged from the war.¹² A political equivalent of the Economic concept of Law of comparative costs saw the US getting most of the concessions on the UN Charter and USSR assured of certain post-war guarantees in Eastern Europe, Japan etc. The Soviets wanted all the 16 Republics to be given a place in the General Assembly to which Roosevelt responded by demanding representation for all 48 states of USA.¹³ The Veto power was used as a balance of power mechanism. The superpowers vetoed the entry of countries of opposite camps till a long time. Dag Hammarskjold remarked that "the superpowers need the UN as a rubber stamp to authenticate their decisions. When they are in a minority they ignore the UN completely".¹⁴ The UN frustrated with the Soviet Veto took up the battle in the General Assembly passing the Uniting for Peace Plan, which stated that when the Council was unable to act, for want of unanimity among its permanent members the General Assembly could step in and ensure the primary responsibility.

10 Rajan M.S. (Ed.), "UN at 50 and beyond", 270 (1996).

11 See, *supra* n. 4.

12 Sohn L.B., *The UN: The Next 25 years* (1967).

13 See, *The UN: Kraus Year Book, 1948-49* (1949).

14 See, *supra* n. 4.

of providing peace and security. The immediate objective was to circumvent the Soviet Veto in the Korean Crisis. US attacked Trygve Lie for advocating the sitting of Chinese Communist delegation in the UN. The UN action in Korea saw USSR launching a diatribe against the Secretary General. The Soviets launched a major offensive against Dag Hammarskjold in 1960's accusing him of supporting US policy in Congo and came up with the famous 'troika' proposal in the 15th session of the General Assembly. The peace keeping activities of the cold war era like the UNEF, saw a massive clash of interests and ideologies between the superpowers as regards the role of forces, finances etc. The UN during the entire cold war period could not act independently due to the East-West divide.¹⁵

UN IN THE POST COLD WAR ERA

The post cold war euphonia largely died down as the Bush proclamation of the New World Order basically hinted at a more active role for the US as the global conflict manager. Starting from the Gulf crisis which was not a case of enforcement of collective security under the charter, the US sought to take the UN for granted.¹⁶ The Security Council had not authorised such a massive use of multinational forces against Iraq under resolution 678 of 29th November, 1990. "The Security Council was only informed of the operation *ex post facto*".¹⁷ The recent 'Operation Southern Watch' which included extension of non-fly zones, allegedly to protect the Kurds, all taken in the name of the organisation inter alia disgraced the UN. "Republican leaders wasted no time after their victory in the Congress elections at the end of 1994 in using the UN as a scape goat".¹⁸ Seeking a unilateral lifting of arms embargo on Bosnia and reaffirming that US troops should not serve under UN leadership, President Bill Clinton in his address to the UN General Assembly in 1994 minced no words when he stated that while pursuing US national security interest "We will act with others, through the UN if possible and unilaterally if necessary, that the US would use diplomacy when we can and force if we must."¹⁹

Thus, politics based on national interests and short term gains of nations has rendered the UN powerless.

UN: A DISMAL FAILURE IN DIFFERENT FIELDS

Apart from the lack of success in high politics and providing international peace and security, the UN has also failed in bringing about international co-operation in solving problems of an economic, sociological, cultural or humanitarian character as envisaged in Article 1(3) of the Charter. The absence of war amongst-

15 See, *supra* n. 2

16 *Ibid.*

17 See, *supra* n. 10 at p. 8

18 See, Saksena K.P., "Period of Tribulations", 16 *World Focus* 11 (1995).

19 *Ibid.*

states does not in itself ensure international peace, stability and security. The report of the Secretary General states "Poverty, disease, famine, oppression and despair abound, joining to produce 17 million refugees, 20 million displaced persons and massive migration of people within and beyond national borders. These are both sources and consequences of conflict that requires the ceaseless attention and highest priority in the efforts of UN".²⁰ The issue of eradication of poverty, famine, and development has been a great source of disappointment especially for the South. The UN Declaration on International economic co-operation adopted by a special session of its General Assembly in 1990 recognised that for many developing countries the 1980's has been viewed as a decade lost for development.²¹ In the University of London, 1993 Erskine Childers set forth the severe potentially catastrophic economic inequalities between the North and the South as follows. "The ratio of 20:80 or worse dominates our world today. As the 1990's opened, the 20% northern minority of human kind, had 82.7% of world trade, 94.6% of all commercial lending, 80.6% of all domestic saving, 80.5% of all domestic investment and 94% of all research and development. The 80% majority of humanity in South get the 20% or less scraps from the tables of the affluent".²² The Cairo Summit (on Population), Rio Summit (on Environment) and Copenhagen Summit (on Social issues) saw the North using the UN as a body to legitimise their vested interest at the cost of South thereby proving that even in social issues high politics dominates more than anything else. The rampant poverty, famine etc., is a sad commentary on the economic approaches of the UN and the international community. No wonder the debate about NIEO has turned but to be a Charade thereby damaging its reputation.

ORGANS OF THE UN: THEIR FUNCTIONING

A number of units and programme activities set up over the years by incessant demand of the NAM and G 77 have now been wound up. UNCIAD has been marginalised, UNDO has no funds, the Centre for Transnational Corporations has all but disappeared. The Charter on Economic Rights and Duties of States is dead. Instead, human rights programmes and the like have come to the fore. All this is a part of the overall strategy of the North to concentrate more on macro economic policy making in the World Bank, IMF, confining the UN to essentially political and social functions. The US and other developed countries want an active role of the Bretton Woods institution but as the UN programmes amount to encroachment, in the domain of international economic relations, which should remain a preserve of the private entrepreneurs or of bilateral assistance, the economic activities of the UN for an equitable order has been put into cold storage.

20 Ghali Boutros Boutros, "An Agenda for Peace", 7 (1992).

21 See, *supra* n. 10 at 224-225.

22 Childers Erskino, in a Conference on "Reforming United Nations" held in London, 1993.

The UN has also been a failure in the matter of disarmament and international terrorism.

CONCLUSION

A strange sense of *dejavu* filled the atmosphere when the vision at birth was contrasted with the reality at its 50th Anniversary. The achievements of UN in fulfilling the dreams of the founding fathers has been creditably low. At 50, the UN has become decrepit and dysfunctional and may collapse under the weight of its own bureaucratic parasitism and impotence. The tragic irony is that being the costliest organisation has in fact rendered it powerless. It is like a colossus standing on the feet of clay verily, the UN today stands at the crossroads not only structurally but also geopolitically. The UN as in 1996 is seriously anachronistic with visionary realism and statesmanship. The UN must open up to new paradigms as regards development. Novel methods of financing as proposed in "An Agenda for peace like charging interests on defaulters, establishment of temporary peace keeping Reserve Fund"²³ etc., should be effectively and speedily implemented to overcome financial crisis. The urgent need for democratisation of UN in order to resolve the crisis of relevance and major reforms and restructuring is the call of the day, if the UN is to enter the next century by making a major impact on the world scenario. As P.V. Narasimha Rao, the then Prime Minister of India, said at a Special session to commemorate the 50th Anniversary of UN that "if the relevance of UN is to continue, we will now need to address the root causes of what afflicts human-kind".²⁴

23 See, *supra* n. 20.

24 P.V. Narasimha Rao as quoted in Rajan M.S. (Ed.), *UN at 50 and Beyond*, 356 (1996).

THE BRETTON WOODS INSTITUTIONS

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INTRODUCTION

Early in World War II, the economic and financial experts of the allied nations began to consider what plans could be made to help meet the economic problems of the post war period and to avoid a post World War II slump. This culminated in the Bretton Woods Conference in New Hampshire in 1944, officially announced as the United Nations monetary and financial conference. From these deliberations the outlines of the two complementary financial institutions emerged; The first to become the International Monetary Fund¹ was to promote international currency stability and the accepted rules on international financial conduct. The second institution was the International Bank of Reconstruction and Development² or popularly known as the World Bank.³ It was established to help finance the reconstruction and development of its allied countries.⁴

The Bank was set up as a new type of international investment institution which could authorise or guarantee loans for the productive reconstruction and development projects both with its own capital and through the mobilisation of private capital, under a financial structure where the risk of such investment would be shared by all member countries roughly in accordance with their economic strength.⁵

Subsequently several other specialised agencies were created as a part of the Bank. In 1956 the International Financial Corporation,⁶ was established as an affiliate of the Bank.⁷ In 1960 the International Development Association⁸ was formed.⁹

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1 Hereinafter Fund.

2 Hereinafter IBRD.

3 Hereinafter Bank.

4 L. Henkin *et al.*, *International Law Cases and Materials* 1019 (1980).

5 Henkin, *supra* n. 4. See also the Articles of Agreement of the IBRD.

6 Hereinafter IFCJ.

7 Its object was to fulfill the purpose of the Articles of Agreements of the Bank (especially Art. I(ii)), which seek to promote private foreign investments by participating in private loans and other investments and when private capital is not available on reasonable terms by supplementing private investments from its own resources..

8 Hereinafter IDA.

9 In the late 1940's there was already some discussion in the United Nations to establish an international agency, which would be favourable to the developing countries. At the Annual