

# Creativity in the United Nations: A history of ideas

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**ABSTRACT** *Louis Emmerij gives an overview of the United Nations Intellectual History Project, which aims to produce a comprehensive intellectual history of the international organization. He analyses three separate periods: the early years (1940s and 1950s), the middle years (1970s), and the last 25 years (1980s onwards). Finally, he discusses some of the organization's failures and challenges ahead.*

**KEYWORDS** *international organizations; policy ideas; world trade; basic needs; informal sector*

## Introduction

The United Nations is seen by many as a rigid bureaucracy without sparkle, wit, or creative thinking. The general public – graciously stimulated in this by the mass media – sees a travelling circus, a talk shop, and people shoveling papers. There has even been a tale of corruption in recent times. This is, we submit, a very uneven view of the UN. How would we judge a story about Boeing or Airbus that only concentrates on its employees travelling, discussing the problems of the day, or sending emails to each other without mentioning the quality of its products, its results, and its plans for the future to create better planes. In other words, a story of an enterprise would not be complete without a discussion of its intellectual content and ideas.

Amazingly, such an intellectual history rarely exists in the case of big or smaller firms and even more amazingly it does not exist for the United Nations. International organizations live or die by the quality and relevance of the policy ideas they put forward and it is of the essence to emphasize them, both the good and the not so good. This was well understood by the IMF and the World Bank who both have their histories published – histories that underline policy ideas these organizations have given birth to and pursued.

In 1999, we decided (Richard Jolly, Thomas G. Weiss, and the present author) to repair this gap and to start the United Nations Intellectual History Project (UNIHP) as an independent endeavour with funding from outside sources. The Project is based at the Graduate Center of the City University of New York. We have succeeded to get funds from several foundations and governments who, like us, could not believe that this history had not been written up yet.

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UNIHP is structured as a diptych, like a painting with two panels. The first panel is composed of 15 books, reviewing the intellectual history of the UN in a given sector (international trade, gender, human security, and global governance), looking at the regional dimension of UN activities, and at how the world organization has stood up to meet global challenges. The last volume will be a forward-looking Grand Synthesis, pointing out the priorities that must be pursued in the years ahead, standing on the shoulders of the past. At the moment of writing nine volumes have been published, all by Indiana University Press. UNIHP is concerned mainly with the economic and social development side of the UN, but with inroads into the peace and security dimension.

The second panel presents an oral history. Seventy-six personalities have been interviewed who have played a role in stimulating, and sometimes hindering, the identification and implementation of policy ideas in the UN. Oral history is a tricky instrument and requires careful preparation and double-checking. This is so because memory is unreliable and sometimes a person might consciously want to change or hide certain events. It is always too late to start oral history because there are many individuals who are no longer there to tell their story. In our case, in 1999, when we started, Mahbub ul Haq and Jan Tinbergen had already passed away. Since we started our Project, more than ten of the 76 personalities have died. This is the case, among others, of Victor Urquidi, Johan Kaufman, Bernard Chidzero, and Celso Furtado. Oral history, with all its difficulties, gives fascinating insights, both in the person and in what makes the UN a creative organization.<sup>2</sup>

There is not one UN, but three. To pursue the analogy with the art of painting, the UN is a triptych. The first panel is the UN of the Governments making decisions – in the Security Council, the General Assembly, ECOSOC, and many other bodies – about peace and security, economic and social development, labour, health, agricultural policies, and so on and so forth. The second panel consists of the Secretariat of the UN and its specialized agencies under the leadership of the Secretary General and the Heads of Agencies. Ideas may come not only from within the Secretariat or

from Governments, but may also come from another source. Here we find the third panel that is composed of INGOs, non-governmental organizations (NGOs), private-sector enterprises, trade unions, etc. The only organization within the UN family that has part of the third UN formally incorporated in its decision-making structure is the ILO where governments, trade unions, and employers' associations meet in the Governing Body and General Conference. Many NGOs are admitted as observers in the UN, but are not yet part of the formal decision-making process, although they are very active in pushing forward ideas.

UNIHP deals with the history of ideas of the UN and its specialized agencies.

Having presented the rationale of the Project, we now turn to a rapid overview of some of the results to date.

### The early years

Early development ideas within the UN can be distilled from three major UN publications published between 1949 and 1951. These were *National and International Measures for Full Employment* (1949), *Measures for the Economic Development of Under-Developed Countries* (1951), and *Measures for International Economic Stability* (1951). Each of these reports was drafted by a team of prominent economists from different parts of the world, with support from the UN Secretariat. The economists included some of the best. Among them were two who were subsequently to win Nobel Prizes in economics, Arthur W. Lewis and Theodore W. Schultz.

These reports and their recommendations were ahead of their time, particularly in the international domain. Among the recommendations, the most striking were the following:

- A new structural equilibrium should be established in world trade within three to four years.
- Measures by industrial countries should be adopted to encourage capital flows to developing countries in order to stimulate rapid growth of production and real incomes, so that the world economy as a whole could attain a steady rate and pattern of growth, and permit needed

structural adjustments without a contraction of world trade.

- Priority in under-developed countries should go to increasing their rates of saving and investment and to the transfer of labour from low productivity rural areas to higher productivity urban areas.<sup>3</sup>
- Institutional constraints on economic development should be lifted, such as the high concentration of land ownership and the discrimination within banking systems and other factors hindering the mobility of resources.
- Short-run fluctuations in the prices and terms of trade of primary products should be avoided through negotiations of international commodity agreements.
- The World Bank should secure a substantial increase in the flow of lending to developing countries in the event of recession.

Five years after its inception, the UN was far ahead of the curve. What a difference it would have made if this global approach had been adopted instead of the regional Marshall Plan focusing on developed, albeit heavily damaged, Europe.

Hans Singer's work on the terms of trade is a second great idea and is the most important intellectual contribution he has made (Singer, 1950). In his oral history interview, he says that talking to the unemployed in the UK during the 1930s had taught him to look at the world from the viewpoint of the underdog. 'If you look at foreign trade from the point of view of the poor countries, exporters of primary products, what does it look like? And it appears an unequal system that is weighted against them. That was the same way the unemployed in England looked at the unemployment insurance system.'<sup>4</sup>

Singer, who died in early 2006 at the age of 95, worked under the general supervision of Folke Hilgerdt, who, as Director of the UN Statistical Office, provided a key link between its work and the statistical work of the former League of Nations on trade. Hilgerdt had been the principal author of *Industrialization and Foreign Trade* (1945) that included an appendix on international trade between 1871 and 1938. These data showed that the price index of manufactured articles fell

significantly less than that of primary products. However, nothing was made of this in the summary of findings of this League of Nations Report. The statistical base of this report was available for Singer's research.

The Singer's study showed that the terms of trade of under-developed countries had improved between 1938 and 1946–1948. However, this recent improvement was placed in a much longer historical perspective, showing that between 1876 and 1948 they had seriously deteriorated (United Nations, 1949). This finding was contrary to classical theory. This was already bad enough for certain fellow economists, but the political dynamite came from Singer's further conclusion that under-developed countries were helping to maintain a rising standard of living in industrial countries without receiving compensation. Raul Prebisch in his seminal UNECLA Report (1950) put these data in a wider policy perspective by developing the Center–Periphery framework. Thus, the Prebisch–Singer thesis about the secular decline in the terms of trade of developing countries was born, as well as ECLA's remedy in the shape of import-substitution industrialization as set out in Prebisch's Report.

Important early work on statistics and national accounting was another important contribution of the UN as was the setting of global goals in education, development, and health.

## **The middle years**

The 1970s was also a creative period for the UN. This was reflected in important work on development strategies, the informal sector, the environment, population, and gender. The battle on a New International Economic Order (NIEO) also took place during those years. Again, a choice is necessary.

By the middle of the 1970s, the idea of a *basic needs development strategy* was born (ILO, 1976). Basic needs were defined in terms of food, housing, clothing, and public services, like education and healthcare and transport. Employment was both a means and an end, and participation in decision-making was included. The first task was to quantify basic needs for a target year – for

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instance, 25 years in the future. In other words, what must national income in  $t + 25$  be if even the poorest 20 percent of the population saw their basic needs satisfied. Having quantified GDP for the target year, one could then calculate the annual rate of economic growth required between the base and the target years.

Not surprisingly, in most cases the required rate of economic growth to fully meet basic need targets within the time frame was unrealistically high by historical standards – well over 8 percent per year over 25 years. East Asia has subsequently achieved such rates, but in the mid-1970s the East Asian miracle lay ahead. And so, the only alternative to achieve the targets in full was to work at two levels: the rate of economic growth *and* income distribution. Indeed, if a policy effort is made to improve income distribution, the overall rate of economic growth need not be so high. It was shown in *Employment, Growth and Basic Needs* that with ‘redistribution from growth’ – that is, marginal redistribution of future increases of income rather than redistribution of existing wealth – basic needs targets could be reached with an annual rate of growth of 6 per cent, still high but within reach.

And so, by the end of the 1970s it looked as though a more appropriate development strategy had been designed that effectively combined economic growth, income distribution, poverty reduction, productive employment creation, and meeting basic needs for the entire population.

With the advent of the 1980s, economic and financial orthodoxy once again started to emphasize financial balance and low inflation over employment creation and income distribution. It took some time – and a lost decade – for policymakers to realize once again that they should not be concerned solely with inflation, balance of payments, and GDP, but also with employment, individual incomes, income distribution, nutrition, food balances, and human growth.

The *informal sector* was popularized by the report of the ILO Employment Mission to Kenya in 1972. No discussion of the concept of the informal sector can do without reference to this document that also stood at the origin of another

concept, namely redistribution from growth that later led to the elaboration of a basic need-oriented development strategy. The Kenya Report presents the clearest definition of what the informal sector is, its importance to economic development, and its relationship to the formal, modern sector. All subsequent descriptions and definitions have blurred rather than clarified the concept.

The popular view of informal sector activities is that they are primarily those of petty traders, street hawkers, shoeshine boys, and other ‘under-employed’ groups on the streets of the cities. However, the evidence gathered in the Report suggests that the bulk of employment in the informal sector, far from being only marginally productive, is economically efficient and profit-making, though small in scale and limited by simple technologies, little capital and lack of linkages with the modern, formal sector of the economy. Within the informal sector we find a variety of carpenters, masons, tailors, and other tradesmen, as well as cooks and taxi drivers, offering virtually the full range of basic skills needed to provide goods and services for a large although often poor section of the population.

It is unfortunately true that often people, including politicians in charge of economic policy, fail to realize the extent of economically efficient production in the informal sector because of the low wages received by most workers in the sector. A common interpretation of the cause of these low incomes has been to presume that the problem lies within the informal sector, that it is stagnant, non-dynamic, and a net for the unemployed and for the thinly veiled idleness into which those who cannot find formal wage jobs must ‘necessarily’ fall... It is hardly surprising, the Report continues, that this view is so widespread, for academic analysts as well as government officials, have often encouraged and fostered such an interpretation.

For observers surrounded by imported steel, glass, and concrete, it requires a leap of the imagination and considerable openness of mind to perceive the informal sector as a sector of thriving economic activity and a source of future wealth. Throughout the Report it is argued that such an

imaginative leap and openness of mind is not only necessary to solve Kenya's employment problems, but is entirely called for by the evidence about the informal sector. There exists, for instance, considerable evidence of technical change in the urban informal sector, as well as of regular employment at incomes above the average level attainable in small-holder agriculture. The informal sector has been operating under extremely debilitating restrictions as a consequence of a pejorative view of its nature. Thus, there exists an imminent danger that this view could become a self-fulfilling prophecy.

The evidence suggests that employment has increased a good deal faster in the informal than in the modern, formal sector. It is therefore impossible to judge how the employment problem has changed merely from the data on employment in the formal sector.

Informal activities are the ways of doing things characterized by (and this is the important definition):

- ease of entry;
- reliance on indigenous resources;
- family ownership of enterprises;
- small-scale operations;
- labour-intensive and adapted technology;
- skills acquired outside the formal school system; and
- unregulated and competitive markets.

And then the conclusion follows: 'Informal sector activities are largely ignored, rarely supported, often regulated in a negative fashion, and sometimes actively discouraged by the Government' (ILO, 1972: 6). The informal sector has had a flourishing career including in the financial arena with the 2006 Nobel Prize for Peace going to the founder of the Grameen Bank.

There is no space to go into the failure of the NIBO, or the World Conferences that were held, also during the 1970s. But it must be underlined that these Conferences did a lot to stimulate the ideas of changes in the policies related to the environment, population, and women and development leading to the important discussion of gender issues.

## The last 25 years

Around 1980, there was an international shift of focus and ideology that was reflected in a much greater weight given to the Bretton Woods institutions as compared to the UN. This was partly due to the very weak reaction of the UN in the face of the so-called Washington Consensus (WC), the neo-liberal economic and social orthodoxy that saw the light of day during the 1980s. The reason for this weak reaction must be found in the force with which the neo-liberal paradigm was put forward and certain weaknesses in the economic policies pursued in the 1970s.

During the 1990s, the UN played a role in re-balancing economic, financial, and social policies. Already in the 1980s, UNICEF had published *Adjustment with a Human Face* and the UN Economic Commission for Africa also pleaded in favour of more realism in the structural adjustment policies that were imposed on many countries. As of 1990, the UN published the annual *Human Development Report* under the direction of Mahbub ul Haq. In cooperation with Amartya Sen and others, the human development approach elaborated on the idea of basic needs, albeit based on a stronger theoretical foundation, and widened the development concept. This is reflected in the importance it attaches to employment creation, poverty reduction, the cultural factor, and the role of the State. The adoption of the Millennium Development Goals by the UN in 2000 is one indication of this changed trend.

Human development has been a successful UN counter-offensive to the WC. After the hesitations during the 1980s, development is seen once again as a complex challenge, one that embraces far more than economic development and faster growth.

During the 1990s, development policies became more comprehensive again. Largely thanking the successive UN *Human Development Reports*, we are moving towards an integration of human development, human rights, and human security. Although development is decidedly possible, it becomes very difficult when human rights and human security are not guaranteed. And so, over the last 60 years, peace, development, human

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rights, and human security – largely pursued in parallel in the first decades of the UN's existence – came closer together, a remarkable and under-emphasized advance. The integration of these important facets of the human challenge may be the most under-recognized achievement of the world organization.

Human rights have now been integrated into a coherent philosophy of human development, providing a broader strategy for economic development and human progress. Conflict resolution has been accepted as an essential condition for development, with the UN Secretary General issuing in 1992 *An Agenda for Peace*, setting out an international strategy for conflict prevention, peace-making, peace-building, and peace-keeping. This has been taken further with proposals in 2004 from the High-level Panel on Threats, Challenges and Change to create a Commission on Peace-building, as a sub-committee of the Security Council.

Spurred by several hard-hitting speeches from the Secretary General led the UN to embark on a series of debates exploring 'humanitarian intervention' and the 'responsibility to protect'. Thus, the shape of future development strategies is becoming clear, namely the integration of economic and social development, human rights, and human security in a wider sense than has been defined hitherto. Let us hope that the new Secretary General of the UN will push the organization further in this direction.

### Omissions and failures

Over the years, the UN has undertaken many analyses on the *external debt of developing countries* and formulated many proposals for action. In the 1987 *Trade and Development Report*, for example, UNCTAD analysed the weaknesses of the international debt strategy pursued in the 1980s emphasizing 'the failure to conceive it within a broader strategy for accelerating growth in the world economy'.

Notwithstanding this analysis and many proposals for action, it took another ten years for the international community (mainly through the World Bank) to develop the heavily indebted poor country (HIPC) programme, and then several

more years to agree that this version of the programme was inadequate, and then to introduce further proposals to improve it. One must conclude that HPIC, even in its latest version, is inadequate: too little, too late, and with only a handful of countries where it appears to be truly succeeding. That is the sad result of having ignored UN ideas.

As early as 1964, UNCTAD at its founding conference identified the need for special attention to '*the less developed among the developing countries*'. Four years later, a resolution was passed on the needs of these countries. In 1971, 24 countries were identified and placed on the original list of what became 'least-developed countries'. By 1998, the least-developed countries consisted of 49 countries with a population of over 600 million accounting for some ten per cent of the world's population.

By the late 1970s, it was becoming clear that many of these countries were lagging seriously behind in development. UNCTAD organized a major conference on the least-developed countries in 1981 – and, as LLDCs continued to fall behind, subsequent conferences were held in 1990 and 2001 that came up with specific ideas and targets, such as setting aside 0.15 percent of GNP in development aid to these countries. Though the UN has led the way in identifying many specific actions that could be taken to accelerate growth and development in these countries, international support has failed to fulfill the goals set. Nor has the World Bank or the IMF formally yet recognized the least-developed category of countries. The failures of the world community to respond to the clearly identified needs of these countries must be judged more than 20 years later, to be one of the most serious omissions of action for development.

There has also been a *slow reaction to the WC*. As mentioned earlier, the United Nations reacted too slowly to the new orthodoxy that was imposed on the developing countries by the World Bank, the IMF, and the OECD countries. The human development paradigm was a late but important reaction of the UN to the neo-liberal policies. However, its application in practice requires theoretical strength and intellectual courage – two

requirements that are not always in abundant supply within the UN.

Another failure has been the late reaction to the *HIV/AIDS crisis*. Despite some promising beginnings in the World Health Organization and elsewhere, intellectual and operational action fell dramatically short of the challenge, until recently.

### UN's intellectual challenges today

As regards the future, there are numerous areas where new international thinking and research is required and where the UN should be encouraged to do more work. Our priority list would include:

- the growing divide between the Islamic world and the West, with attention to the political, cultural, religious, and development dimensions;
- measures of human security, where integrated approaches should be explored going far beyond the traditional compass of either the military or the security forces of countries;
- new actions to support development in the 50 or so least-developed countries;
- long-run issues of the environment where action at present is missing or inadequate, including global warming and measures to offset its consequences, especially for poorer countries;
- global economic inequalities. For the first 30 years of the UN's existence, this was seen as an important issue and to narrow the gaps was treated as an important international economic objective. With the gaps between the extremes ever wider, the issue needs to be put back on the international agenda;
- mechanisms to ensure genuine international competition and free markets, with special attention to operations of transnational corporations.

The priority challenges ahead for the world organization in the economic and social development field lie in focusing on such priorities identified above and in strengthening the capacity to generate and disseminate ideas. Therefore, the UN needs to strengthen its mechanisms to ensure creative thinking. Proposals for UN reform have tended to neglect this vital dimension, and

specific measures are required to strengthen this aspect of the UN's work in the future.

Examples of such measures emerging from our interpretation of the UNIHP to date include the following five priority areas:

- The recognition in all parts of the UN that is contributing to ideas, thinking, and analysis in their area of international action is *the* major part of their work.
- To this end, the UN needs to foster an environment that encourages and rewards creative thinking, analysis, and policy-focused research of high intellectual quality. This has implications for recruitment and promotion. The quality of staff members is essential and no compromise must be made here.
- The provision of more financial support for research, analysis, and policy exploration is a top priority. The terms on which such finance is provided is of special importance, not only its availability in adequate amounts but with commitments for the longer term.
- Strengthening the means to disseminate new ideas, analyses, and proposals is equally important. UN's outreach with a core of key reports is sometimes impressive. At the same time, too many languish on book shelves or filing cabinets. Discussion should not only be in intergovernmental settings but in capitals with governments and among such diverse constituencies as NGOs, business, the media, and members of civil society.
- Perhaps, the most important intellectual challenge is in rethinking and improving relations between the UN and the Bretton Woods institutions to encourage better interchange of ideas and experience and a less-skewed allocation of international resources between them.

Since 1980, the donor community has channelled increasing amounts of resources to and through the Bretton Woods Institutions and increasingly followed their lead in terms of policy and action, both internationally and at country level. This overwhelming focus on the internal financial institutions has often led to neglect of the UN organizations. Our assessment of the record shows the many respects in which this has been

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counter-productive. The UN contributions have been neglected in key areas where the Bretton Woods were not active or, equally important, in areas where subsequent events have shown that their earlier policies were wrong or too narrow. The need now is to achieve a better balance between the World Bank, the IMF, and the UN, in policy leadership, funding, and support for national and international action. Stronger roles for the regional development banks and the regional commissions need to be made part of these reforms.

Some important changes have recently begun to be put in place, many related to the adoption of the Millennium Development Goals in 2000 and

of the Poverty Reduction Strategy Project (PRSP) process at country level. Under these, the Bretton Woods Institutions, the donor community, and the UN, working under the leadership of the UN Resident Coordinator, prepare PRSP documents in conjunction with the national government and civil society organizations.

May the new Secretary General of the United Nations act along the lines set out here. And may he keep in mind one of Kofi Annan's last words in Office: 'It is not realistic to think that some people can go on deriving great benefits from globalization while billions of others are left in, or thrown in, abject poverty.'<sup>5</sup>

### Notes

- 1 Louis Emmerij is a senior research fellow at the Graduate Center of the City University New York and Co-Director of the United Nations Intellectual History Project there. He was Rector of the Institute of Social Studies, The Hague, President of the OECD Development Centre, Paris, Special Adviser to the President, Inter-American Development Bank, Washington DC, and Director, ILO World Employment Programme, Geneva.
- 2 For more details, see the UNIHP web site at [www.unhistory.org](http://www.unhistory.org).
- 3 Arthur W. Lewis was a member of one of the commissions and his hand is clearly visible here.
- 4 Transcript of oral history interview with Hans W. Singer: 30.
- 5 Address of Kofi Annan at the Truman Presidential Museum and Library, Independence, Mo., 11 December 2006.

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