

GOVERNANCE AND MANAGEMENT OF THE UNITED NATIONS

OR: BUILDING TRUST AS A PREREQUISITE FOR SUCCESSFUL MANAGEMENT REFORM

An analysis of the decision-making processes within UN's administrative and budgetary committee and recommendations for improved governance and management of the UN Secretariat



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Foreword

In the spring of 2007 I served as an intern at the Dutch Permanent Representation to the United Nations in New York, assisting the Dutch diplomat responsible for the Fifth Committee, the General Assembly Committee that deals with administrative and budgetary issues.

Issues raised in the Fifth Committee are of a highly technical nature and receive little attention in the international media. Nevertheless, I soon found out that decisions that are taken within the Fifth Committee are vital to the functioning of the United Nations. It is paramount for the Organization that the UN Secretariat is well staffed and that it disposes of the necessary means to support UN's activities in the field of Development, International Peace and Security, and Human Rights.

Throughout my internship I have closely followed the wheeling-and-dealing of the Committee, from the formal introduction of topics to informal discussions that often lasted throughout the night. I feel privileged that I have had the opportunity to do this and I look back at my time in New York as a wonderful experience that has enriched me for the rest of my life.

I hope that I have been able to translate some of my enthusiasm into this thesis. Enjoy reading!

Christiaan Schakel
Leiden, February 2008

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Christiaan Schakel
Leiden, February 2008

Executive Summary

This Masters thesis focuses on decision-making processes within United Nation's administrative and budgetary committee, the Fifth Committee of the General Assembly, and discusses where the problematic interaction between Member States and between Member States and the Secretariat originates and what can be done to ameliorate this relationship.

During the 2005 World Summit, Heads of State acknowledged the need for a strengthened United Nations in order to make it more 'efficient, effective and accountable'. Over the last decades, the UN has expanded its activities in the areas of development, international peace and security and human rights, resulting in a massive increase of UN's budgets. This increase in activities and subsequent budgets stressed the need for a thorough 'overhaul' of the UN Secretariat. In 'Investing in the United Nations', a follow-up to the World Summit Outcome Document, the then Secretary-General Annan signalled the pressing need to reform the UN Secretariat to make it ready for the challenges of the 21st century. Although there have been some reforms, most attempts to reform UN management have been unsuccessful due to an acute lack of trust between Member States and between Member States and the UN Secretariat.

This lack of trust finds its origin in the North-South divide, the struggle between 'the power of the numbers' (referring to the group of developing countries that outrange the 'North') and 'the power of the purse' (the 'North' finances the largest share of all budgets). This divide has resulted in different priorities for the Organization; whereas the North favours 'fiscal prudence', the South might be in favour of more development activities. In addition, developing countries do not feel very well represented in UN's Security Council and this lack of influence is counterweighted in UN's administrative and budgetary committee.

There is also a lack of trust between Member States and the UN Secretariat visible, caused by UN's weak governance system, culture and structures. Currently, the Membership does not dispose of the right tools to hold the Organization accountable and claim ownership. This blurs the distinction between 'governance' and 'management', often resulting in micro-management practices.

Since political and economic inequalities will not be resolved overnight, an important first step towards successful management reform is building trust. Trust can be enhanced by creating more arenas for dialogue and discussion between Member States. These meetings should be transparent and inclusive and should offer Member States the possibility to discuss issues before taking a preliminary position. When trust between Member States is enhanced, the decision-making process will yield better results in terms of effectiveness and efficiency. A next step would be to strengthen the relationship between Member States and the Secretariat, starting with better reporting mechanisms. When Member States dispose of better tools to take ownership of the Organization, there will be a clearer division of tasks and responsibilities, and the governance-management dichotomy will be lifted.

A prerequisite for successful management reform within the United Nations, is trust. Only when Member States negotiate on the basis of trust – in conjunction with an accountable and transparent Secretariat – will they take decisions that will further strengthen the Organization and make it ready for the challenges that lie ahead.

1. Introduction

[...] We reaffirm the central position of the General Assembly as the chief deliberative, policymaking and representative organ of the United Nations, as well as the role of the Assembly in the process of standard-setting and the codification of international law [...]’ (Summit Outcome Document 2005 (A/RES/60/1 para 149))

In September 2005 Heads of State convened at the United Nations (UN) Head Quarters in New York. Following two weeks of deliberations, the General Assembly (GA) of the United Nations adopted the World Summit Outcome Document (A/RES/60/1) in which world leaders express their continuous support for the organization. They also acknowledge that the United Nations is in desperate need of reform. The Outcome Document sets the agenda for reform in areas such as Development, International Peace and Security, Human Rights and the Rule of Law and Strengthening the United Nations.

The United Nations today is a completely distinct organization compared to the one that emerged from the San Francisco Conference more than 60 years ago. Currently there are over 100.000 peacekeepers in the field serving in about 18 complex peacekeeping missions (of which MONUC, the UN Mission in the Congo exceeds a 1 billion USD budget). UN’s peacekeeping budget approaches 6 billion USD in 2007 (compared to 2.5 billion USD in 2000) and UN’s overall budget exceeds 7 billion USD dollars in 2007. This massive increase in UN operations and budget over the last decades has put the UN Secretariat under serious pressure. The Brahimi report, a report of an expert panel on United Nations Peace operations which was published at the end of 2000, recognized the problems the Secretariat faces in keeping pace with the surge in peacekeeping. Currently there is one UN headquarter employee for every 96 UN peacekeeper in the field, a ratio that, according to Brahimi is unacceptable. In order to solve these and other problems, the Brahimi report makes a number of recommendations with regards to mission leadership, military and civilian personnel rapid deployment and logistics.

Most recently¹ Member States acknowledged the need for a strengthened Department of Peacekeeping Operations (DPKO) and institutionalized a Department of Field Support (DFS). DPKO will take on operational planning and execution of missions whereas DFS will take up all support functions in relation to Peacekeeping operations (such as Procurement activities²). Next to the strengthening of DPKO, steps have been made to improve and strengthen oversight within the United Nations. One can imagine that with a surge of 4 billion USD in peacekeeping, there is a desperate need to increase oversight within in the Organization. UN’s internal oversight body, the Office of Internal Oversight Services (OIOS) needs to be strengthened and there is a call to give OIOS more budgetary independence. Recent allegations in the Congo against Pakistani troops accused of trading gold for weapons, underline the importance of a strengthened investigations division.

Other attempts have been made to make the UN more credible. In 2006 a Human Rights Council (HRC) is established. This body replaces the old Human Rights Commission which lost credibility when countries such as Cuba and Burma - that have a bad reputation with regards to human rights - joined. There are ongoing talks to reform the United Nations Security Council, a

¹ In March 2007 the General Assembly adopted a resolution approving of the creation of the Department of Field Services (DFS)

² The General Assembly has not approved of transferring all Procurement activities to DFS, but there is an intention to do so after the Secretary-General has issued a report on Procurement Reform

body in which most of the Membership agrees Member States are no longer represented in a way that reflects the global economic and political balance of the 21st century.

Closely linked to the work of UN's Security Council, a Peace building Commission (PBC) has been created in 2006 to assist post-conflict countries in recovering and to make sure these areas do not fall back into conflict again.

One last area of reform that was discussed during the 2005 World Summit was the 'Strengthening of the United Nations' with regards to strengthening its overall management. In the Summit Outcome Document (A/RES/60/1 paras 161 to 167) world leaders recognized the need to strengthen the UN Secretariat to make it more 'efficient, effective and accountable'.

Exemplary for the need for management reform is the current status of UN's administration of its internal justice system. UN employees are international civil servants and therefore they cannot appeal to their national justice systems. Disputes between UN employees and their superiors cannot be solved within the jurisdiction of any national court, hence the UN has its own system of internal justice at its disposal. However, this system has not been updated since the beginning of the 1950s, a time when the UN was an organization employing only around 2000 international civil servants. Currently there are over 50.000 international civil servants working for the Organization, and the internal justice system is not suited for this number of people working in Head Quarters in New York, Vienna, Geneva, Nairobi and in the field around the world. This is just one example of a management reform that is currently being undertaken. In other areas, such as Human Resources Management (HRM), Internal Oversight and Safety and Security Management, reforms are well underway or have only just been explored.

At the very heart of UN's management reform lies the decision-making process within UN's administrative and budgetary committee, the Fifth Committee. The Fifth Committee is a subsidiary organ of the General Assembly (GA) which means all 192 Member States are represented and have one vote. The Committee approves all UN budgets (The regular budget, all peacekeeping budgets and the Support Account (the account that supports peacekeeping)) and takes decisions on administrative matters. Unlike other subsidiary bodies, decisions made in the Fifth Committee are based on consensus; the support of the entire Membership is needed to approve a resolution. This often leads to lengthy discussions which have made UN's Fifth Committee renown for its long and often nightly sessions.

Focus and locus

This thesis will focus on decision-making processes within United Nation's Fifth Committee and ways in which this committee interacts with the Secretary-General and his staff (UN Management) using concepts of multi-level and network governance. The locus of my research is UN's Fifth Committee, the authoritative UN body that decides on administrative and budgetary matters. In this thesis I will discuss where problems between Member States and between Member States and the Secretariat originate and in what direction solutions should be sought.

Concerns are raised both from Member States as well as from the Secretary-General with regards to the decisions the Fifth Committee takes (i.e. resolutions it adopts) and the way these decisions influence room for manoeuvre of the Management. In this connection, the distinction is often made between 'governance' and 'management', indicating that Member States should govern, i.e. set out broad policy guidelines, and that the Secretariat should manage, i.e. implement mandates.

Although both Member States and UN Management are aware of these principal roles and responsibilities, the division of tasks becomes problematic for Member States when negotiating on a day-to-day basis. The aim in this thesis is to uncover why this division of tasks – that in

principle is quite straightforward – has proven to be problematic, and to discuss what can be done to straighten out the relationship between Member States and the Secretariat.

Theories on governance will form the backbone of my research. I will be using two approaches. First, I will discuss *multi-level governance* to show that the relationship between Member States in an intergovernmental body (such as the UN) and UN Management essentially is a vertical one. Member States formulate preferences based on national agendas and come to decision-making that reflects an amalgamate of interests. UN Management is responsible for implementing these decisions. To further highlight the relationship between Member States and the Secretariat, I will be using ‘agency-theory’, also referred to as the principal-agent dichotomy. We will find out that the UN currently has a weak governance system that impedes Member States to claim ‘ownership’ and hold Management accountable.

Then I will be discussing network governance to show how different actors within the Fifth Committee interact, and what problems exist between these actors. I will be discussing structure and agency, networks and context, and networks and outcomes to systematically highlight where problems originate. We will see that because of inequalities in terms of political and economic power within the UN system as a whole, there is a lack of trust between Member States. Building trust will prove to be of paramount importance for any reform attempt to be successful. I will therefore discuss the issue of trust also from a theoretical perspective.

From my theoretical approach I will distil two hypotheses that will guide my research. One will be related to multi-level governance, the other one to network governance.

My empirical data consists of interviews that I held with UN delegates during the second week of November 2007, and several reports on management reform; two by the Secretary-General (‘Investing in the United Nations’ and ‘Mandating and Delivering’) and several reports by the Four Nations Initiative, an initiative by four Member States on governance and management of the United Nations Secretariat.

Scientific Relevance

In Political Science and Public Administration (to a lesser extent) the United Nations has been a much debated institution. Most discussions however, focus on the effect the UN has on the outside world (in terms of development, human rights, peace and security etc.). Less research has been done on UN’s internal affairs. With the flux of (management) reform initiatives from 2005 onwards it is however most interesting to evaluate UN’s internal functioning.

I will be using concepts of *governance* to describe the relationship between Member States and UN Management. In the first place I will do so because Member States themselves and the Secretary-General clearly make this distinction. Member States should *govern*, Management should *manage*. In the second place I believe that the concept of governance (and in particular multi-level and network governance) can be very useful when describing the ways in which different actors (at different levels) interact. Governance is a broad concept and has been used in various ways to describe a range of public sector activities. Governance can be seen as ‘hierarchies’, ‘markets’, ‘networks’ or ‘communities’ (Pierre & Peters 2000, p. 15) and one can focus on the process or the outcomes of governance. In this thesis I will focus on *multi-level governance* and *network governance*. I will do so because I believe describing both a vertical and a horizontal relationship reveals most useful information and therefore has most explanatory value. Although *multi-level governance* is a concept mostly used when describing the European Union or European governance, I will argue that this concept can be applied to the UN as well.

Practical Relevance

In 'Investing in the United Nations', a follow-up from the then Secretary-General Kofi Annan to the Summit Outcome Document 2005, Annan recognized the need to improve dialogue between the main committees of the General Assembly and the UN Secretariat.

He signalled the need for

'new principles to guide the interaction between the Secretariat and the General Assembly on management and budgetary issues [...] to make it more focussed, strategic and result-oriented' (p. 4, para 20).

Annan recognized problems within the Secretariat with regards to the publication of reports and the dissemination of information in general to the Member States that should enable them to come to effective and well-informed decisions. The Secretariat issues an overwhelming amount of reports for discussion within the Fifth Committee – the authoritative body that takes administrative and budgetary decisions. The Committee often finds itself time-bound as it is supposed to discuss a dozen of reports within only a few weeks time.

According to Annan, the budget and decision-making processes are characterized by an acute lack of clarity and transparency as a result of these problems. In 'Investing in the UN', Annan set out a vision that entails a workable decision-making process, a clear division of labour (where intergovernmental bodies (i.e. the Fifth Committee) make high-level decisions on priorities and the overall allocation of resources) and a credible reporting mechanism. Frequently Member States are accused of 'micro-management', by adopting resolutions that tie the hands of the Secretariat in such a way that they are allowed very little freedom to respond to emerging threats or to relocate resources or people.

From the side of the Membership, an initiative emerged early 2005 by a group of four concerned Member States, namely Chile, South Africa, Sweden and Thailand. The Four Nations Initiative (the 4NI) aims to contribute to

'a UN that [is] governed and managed in a way that makes it better equipped to respond to tomorrow's challenges. For the UN to truly progress, more of Member States ideas and perspectives are necessary, particularly on governance issues. A continued dialogue is required together with in-depth consultations. An interactive process will contribute to building of trust and of a new compact.' (Mission statement, website www.the4ni.org)

At the end of 2007 the 4NI has presented its vision, set out in 'Towards a Compact', to the entire Membership of the United Nations. They hope to stimulate the discussion among Member States and resolve tensions around the governance and management dichotomy.

Both the Secretariat and the Membership of the UN attribute certain roles and responsibilities to their work. Both seem to have the impression that Member States, by giving the Secretariat broad policy guidelines, should 'steer' whereas the Secretariat, i.e. UN management, should 'row', meaning taking up these guidelines and translating them into practicable and manageable working processes. Member States should 'govern' and the UN Secretariat should 'manage'.

As clear as it may seem from a distance, it is more difficult to grasp what implications are behind both roles and responsibilities. I will assess these problems and provide for practical solutions, based on my interviews with Fifth Committee delegates and 4ni reports.

Research question

We have established a preliminary understanding of the problematic relationship between Member States and between Member States and the Secretariat. To research this relationship in more detail I will now formulate a research question that will be guiding throughout this thesis:

What can be done to ameliorate the interaction between Member States, and between Member States and the UN Secretariat with regards to administrative and budgetary issues?

To answer this central research question I will be using the following sub questions:

1. What does the decision-making process within UN's Fifth Committee look like?
2. Who are the main actors within the Fifth Committee?
3. How are they organized?
4. What are the main problems with regards to this decision-making process and the outcomes of this process?
5. If there appears to be a lack of trust, how is this visible?
6. What can be done to solve the problem of a lack of trust between Member States and the Secretariat?

We will find out that a healthy and stable decision-making process based on trust is a prerequisite for the United Nations to progress. Over the last decades, the United Nations has expanded its work which has brought along new challenges for the Organization. Only by investing in UN's system, structure and culture we can make it ready to face these challenges.

Research limitations

This thesis looks at the decision-making processes within UN's Fifth Committee, the subsidiary committee of the General Assembly that takes administrative and budgetary decisions. The United Nations family is large and covers a wide range of organizations and specialized agencies. Specialized agencies have their own governing boards that decide on administrative and budgetary issues, this falls not within the scope of the Fifth Committee. This thesis will therefore provide no insight in the internal management of these agencies.

Although all activities by the Fifth Committee will be addressed in this thesis, I do not have the intention to address them exhaustively. For example, the budget process, from formulation to evaluation phase, will be only touched upon only marginally.

In this thesis I will investigate the relationship between Member States and Member States and the Secretariat. There is enough written on concrete reform proposals, so I will not provide the reader with a complete overview of recommendations and areas for improvement. I will point at some areas for improvement, but this thesis mainly focuses on the relationship between Member States and the Secretariat. For example, for readings on reforming the budget process I refer you to *Power, Purse and Numbers, a Diagnostic Study of the UN Budget and Finance Process and Structure* by Sagasti et al. (2007).

1.6 Chapter build-up

In this chapter I have set the stage for discussion. In the following chapter I will extensively discuss governance, from its origin to its various interpretations and usages. I will introduce multi-level governance to offer the reader with a vertical approach to my research. In the following chapter, I will discuss network governance, a horizontal approach to governance. At the end of the chapter I will draw up two hypotheses that will guide my empirical research. In chapter four I will discuss my empirical data. I will discuss various reports by the SG and the 4ni, as well as my own interviews that I held with Fifth Committee delegates in November 2007. In chapter five I will discuss my findings and look for areas for improvement. In the last chapter I will discuss my conclusions.

2. Literature Survey

[...] The basic distinction is [...] quite simple in theory: Governors should 'steer', management 'row'. They carry out task that are similar, but from different perspectives and positions. (Towards a Compact, p. 4)

As illustrative the above noted distinction between the principal task of the Member States and that of UN management may seem, it appears to be of less value when discussing what exact tasks are assigned to both. It is the purpose of this and the following chapter to provide theoretical background to this question and, from a theoretical perspective, to outline where problems between Member States and Management originate, using concepts of multi-level governance and network governance. At the very end of the next chapter I will draw up two hypotheses that theoretically capture the essence of the communication problem (or lack of trust) between Member States and UN Management.

This chapter will develop as follows. First I will discuss the origin and developments of governance, from its appearance in the last decade of the twentieth century, to its various usages in national, European Union and international contexts. In the next subchapter the focus will be with governance in International Relations Theory. I will touch upon notions of 'good governance' and 'global governance' in relation to the Bretton Woods Institutions (IMF, WB), World Trade Organization (WTO), the Association of South East Asian Nations (ASEAN) and the United Nations (UN). Then I will be discussing multi-level governance and the principal-agent theory. In the following chapter I will discuss network governance in more detail and, at the end of that chapter, come up with two hypotheses, one that relates to multi-level governance and the other to network governance.

2.1 Governance: Origin and Developments

In the beginning of the 1990's a trend developed in Western Europe to frame debates on public policy and public policy-making processes in terms of 'networks', 'governance' and 'non-state actors' rather than traditional terms like 'the state', 'power' and 'institutional capacity'. This trend described a slow but evident erosion of state dominance in the field of public policy making, jointly followed by an increase of power of non-state actors and civil society. Whereas some decades ago governments were seen as the decisive actors in the field of public policy, the focus gradually shifted from government towards governance. Where and how did this shift come about and in what way has governance developed towards the beginning of the twenty-first century?

Post-war years in Western Europe were marked by reconstruction and heavy investments in infrastructure, a rise in social-security mechanisms and economic redistribution. This intensification of nation-wide activities nourished institution building and called for an expanded control of governments. Western-Europe, and slightly later the United States, shifted gears towards more government intervention. In these years, governments were seen as the 'appropriate, legitimate and unchallenged vehicle for social change, equality and economic development' (Pierre and Peters 2000, p.2). Early Bismarckian Welfare instruments developed into full grown European Welfare provisions around the 1980's after which a gradual decline was seen, and somewhat later, the conception arrived that governments could no longer be seen as the pivotal locus of public policy making.

The days of New Public Management (NPM) dawned, characterized by privatization, deregulation, cut-backs in public expenditure and administrative reform. In some countries these reforms caught better flight than in others; supposedly institutional characteristics put a strain on

the reform process (ibid., p. 3). 'Run government like a business' was a much heard adagium in Public Administration. In the course of the 1990's, when NPM practices were well implemented in most Western democracies, the question arose how governments were able to maintain control and to steer society in this different political and economic environment. Pierre and Peters (2000) argue that by that time, debates in Public Administration were still dominated by the public-private dichotomy, and by the idea that governments are the primary locus in public policy creation. Late nineties however, a conceptual shift can be seen that is more lenient towards policy outcomes, state-society relationships and other societal actors (pp. 4-5). This conceptual shift in Public Administration Theory is described as 'governance'.

Ever since 'governance' caught on, the term is said to be confusing (Pierre and Peters 2000) and 'fuzzy' (Frederickson and Smith 2003), revealing an umbrella of different meanings. It is associated with policy networks (Rhodes 1997), public-private partnerships, corporate governance and 'good governance' (as first described by the World Bank in 1992³). Some authors use governance to describe the ongoing process of Europeanization, whereby national administrations lose authority at the discretion of European institutions. More than often this process is referred to as multi-level governance, whereby multiple actors engage at multiple levels in the decision-making process. Others use it to highlight ongoing developments in international relations, where supranational organizations gain power over (parts of) national legislation.

2.1.1 Governance in International Relations Theory

Governance in international relations can be described as the erosion of state dominance at the expense of growing international or global cooperation in the field of politics and economics. More than often this process is referred to as 'global governance'. This can vary from economic cooperation in organizations such as the World Trade Organization (WTO), the North American Free Trade Association (NAFTA) or the Association of South-East Asian Nations (ASEAN) to activities in a multi-platform organization such as the United Nations that deals with areas such as peace and security (the Security Council), international labour standards (International Labour Organization (ILO)) and development (UN Development Program (UNDP), UN Fund for Population Activities (UNFPA)).

Although a number of international organizations have been around for over a century⁴, growing international activity in various policy fields can be seen after the Second World War. The reconstruction of countries that had had fallen victim to the atrocities of WW II, received help from the International Bank for Reconstruction and Development (IBRD), one of five institutions that comprise the World Bank Group⁵. In July 1944 the treaty that institutionalized the IBRD, the International Monetary Fund (IMF) and the General Agreement on Tariffs and Trade (GATT) was signed.

The World Bank has the goal to reduce poverty in developing countries by providing them with loans for development programs. The IMF constituted a fixed exchange rate in order to restore the international monetary balance following the 1930 depression. Today, exchange rates are no longer fixed. The IMF however still provides financial assistance to countries that experience serious financial problems. The GATT traditionally discussed the freezing of tariffs and reducing

³ See: Governance and Development, World Bank, 1992

⁴ The Universal Postal Union for example, comprising 189 member states, was established in 1874.

⁵ The International Bank for Reconstruction and Development is one of five international organizations for providing finance and advice to countries for the purposes of economic development and eliminating poverty, the others are the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Disputes (ICSID). Source: www.worldbankgroup.org

tariff barriers. When in 1986, during the Uruguay round, other instruments were used to create an international economic level playing field (such as intellectual property, services and capital) the name GATT changed into the World Trade Organization (WTO).

It is a legitimate question to ask yourself why international or global cooperation tremendously increased in the second half of the twentieth century. Why should states give up parts of their sovereignty at the expense of the rule of international organizations? Apparently, there are some gains to cross-border cooperation. Pierre and Peters (2000) discuss five of the most recurring hypotheses concerning the growth of international organizations (p. 85).

First, problems that political elites were faced with in the twentieth century became increasingly cross border of nature. Environmental protection, for example, is a policy field that can hardly be effective when targeted only within the nation state. Other examples are drug trafficking or international crime in general (ibid., p. 85). Second, international cooperation is needed 'to accomplish deregulationist goals'. States remain the main legislative and regulative powers with regards to the domestic economic market. Coordinating rules and regulations amongst nations is of paramount importance to control the international performance of a nation's industry. Third, international trade has become much more important to countries compared to some decades ago. With the increase of trade and trade-dependence, the increase of international cooperation is evident. Fourth, since problems countries face are increasingly similar, international cooperation can be a useful tool for learning and benchmarking. A clear example is the Organization for Economic Co-operation and Development (OECD) that allows governments to compare policies and tackle common problems. Fifth, international cooperation can be used as a pretext for countries to give little domestic attention to problems that ought to be solved in an international context. This is often seen as a convenient excuse for nation states not to address these problems (ibid, p. 87).

In this context the foundation of the United Nations itself must be seen. The various UN bodies reflect the above mentioned motives for international cooperation; the Security Council as a platform to discuss international conflict and war, the United Nations Office on Drugs and Crime (UNODC) to combat illicit international trafficking of drugs and the United Nations Environmental Programme (UNEP) to voice environmental concerns. These three institutions are only just a few of UN's extensive web of organizations that all adhere to the rationale that issues, whether political or economic in nature, have become increasingly cross-border in the course of the twentieth century.

Most scholars argue that 'governance theory' as such has not been developed enough in terms of definition and object of study (Pierre and Peters 2000; Frederickson and Smith 2003; Stoker 1998; Rhodes 1997). Some therefore rather refer to it as 'proto-theory' (Pierre and Peters, 2000, p. 7). The first meaningful attempts to systematically discuss the various interpretations of governance, and there from extract a base-line definition, can be attributed to Kooiman (1993), Rod Rhodes (1994) and Pierre and Peters (2000).

In the next subchapters, governance will be described along the framework provided by Pierre and Peters in *Governance, Politics and the State* (2000). In this book, both authors look at governance from a structural, dynamic and analytical point of view. I believe this approach is sensible when trying to unravel what different forms of governance exist, what coordinating and steering mechanisms exist in society and how they have changed over time, and what the importance of governance is in present times. I will therefore adopt their approach by dividing the next subchapters in 'governance as structure', 'governance as process' and 'governance as analytical framework'.

2.1.2 Governance as structure

Pierre and Peters, in *Governance, Politics and the State* (2000), adopt a state-centric approach to governance. They both acknowledge that non-state actors increasingly gain influence in the public-policy domain, but nevertheless they believe that ‘the state is still the centre of considerable political power’ (p. 12). Therefore they start their discourse with governance as hierarchies.

Hierarchies reveal a vertical relationship between the state and society and the state and its internal organization (Pierre and Peters 2000, p. 15). The state, representing the collective interest, governs society using laws and other forms of regulation. An internal form of hierarchy settles the relationship between the state and sub national government, whereby the latter enjoys some degree of autonomy. Much of the current literature however, is dismissive of hierarchy as a model of governance. Over the last decades there is a growing tendency to describe state-society more and more in terms of a horizontal relationship. Critics of the hierarchical model argue that the rather ‘Weberian’ approach has lost its explanatory value in the current epoch that is characterized by a ‘weak state’ and ongoing ‘market globalization’ (Pierre and Peters 2000, p. 16). Although Pierre and Peters recognize most of the criticism towards describing governance from an hierarchical, vertical angle, and acknowledge the ongoing shifts towards ‘horizontalization’ of institutions and organizations, they do argue that vertically organized formal structures still play an important role in the ‘political and institutional organization of the advanced western democracies’ (Pierre and Peters 2000, pp. 17-18).

Seeing governance as *markets* reveals a different picture. The market as a governance mechanism is for some social scientists believed to be the most efficient way of allocating resources, since politics does not always look for the economic optimum (Pierre and Peters 2000, p. 19). Allowing market mechanisms to fully determine society’s course will eventually lead to most gains for all. The role of government in this process is negligible. In fact, economic governance, as it is often referred to, sees a government as only one of many actors in society that govern economic transactions (Van Kersbergen and Van Waarden 2004, p. 146). In that light, a shift from government to governance is a well understood one, since it reveals a complete array of economic steering mechanisms.

The ‘managerial revolution’ in public service production and delivery under the header of ‘New Public Management’ (NPM) is illustrative for a reorientation in public administration towards economic steering mechanisms. NPM, a market-based reform of the public service, has been widely applied from the 1990s, mostly in Western European countries, countries of North America and New Zealand. Rather than input-oriented, NPM is very much focused on service delivery and evaluation and performance. It diminishes the role of the central state in terms of a service provider. Some scholars argue that the state – in that sense – has become more and more obsolete (Osborne and Gaebler 1993).

Another way of looking at state-society relationships is *network* governance. It discusses a variety of actors within a given policy sector, facilitating and coordinating public and private interests and resources (Pierre and Peters 2000, p. 20). Policy sectors are regulated and coordinated according to the preferences of the actors, i.e. public policy becomes ‘shaped more by the interest of self-referential actors in the network than by the larger collective interest’ (ibid.). Rhodes (1997) speaks of policy networks in this regard and distinguishes five types: policy communities, professional networks, intergovernmental networks, producer networks and issue networks (p. 9). As network governance will be one of my two approaches to the central problem, I will discuss it in more detail in chapter 3.

The last type of governance Pierre and Peters (2000) distinguish is *communitarian* governance. Communitarian governance argues that the State is too big and bureaucratic to solve problems and challenges communities are faced with. Pierre and Peters (2000) illustrate this by depicting a family, effectively taking care of both the children and the elderly within the family household without the interference of any form of government (p. 21). This type of governance is often referred to as 'governance without government'. Key features of communitarian governance are 'self-government by association, informal understandings, negotiations, regulations, trust relations and informal social control' (Van Kersbergen and Van Waarden 2004, p. 146).

2.1.3 Normative discussions on Governance

The above four variants of governance refer to an empirical framework. However, ever since the governance discussion was started, there have been normative debates on how a (public) organization should be run. We can distinguish between corporate governance and good governance.

The economic governance literature speaks of *corporate governance*. Where economic governance describes economic actors and their capability to steer society, corporate governance provides a normative framework for publicly traded companies, both financial and non-financial. In 1999, a council meeting of the Organization for Economic Co-operation and Development (OECD) adopted a set of corporate governance principles, intended to 'evaluate and improve the legal, institutional and regulatory framework for corporate governance in [...] OECD as well as non-OECD countries (OECD Principles on Corporate Governance 2004, pp. 9-11). The principles of corporate governance intend to promote 'good governance' among firms in order to improve accountability and transparency.

Good governance was first described by the World Bank in 1992. In that year, the World Bank published a report on *Governance and Development*, followed by *Governance: The World Bank's experience* in 1994. The International Monetary Fund (IMF) also embraces good governance, being 'important for countries to develop at all stages' (Woods 2000, p. 824). Good governance, according to both organizations, entailed promoting transparency, accountability, efficiency, fairness, participation and ownership (ibid.). The issue of good governance raised a wave of critique since both the World Bank and the IMF lacked rules and regulations that allowed for transparency and accountability within their respective organisations. 'Practice what you preach' was a much heard saying in these years. Although transparency has improved within both institutions, the issue of accountability is still problematic.

The White Paper on Governance (2001) published by the European Commission is another example of a normative approach towards governance. The paper includes principles such as openness, participation and accountability. When discussing multi-level governance I will discuss the White Paper in some more detail.

2.1.4 Governance as process

'Governance is not so much about structures, but about the interaction between structures', Pierre and Peters (2000, pp. 22-23) argue. After having discussed what the institutional perspectives of governance are, it is therefore at this stage plausible to outline some of the dynamics governance brings along.

From whatever institutional perspective one looks at the process of governing, it involves a certain amount of 'steering'. In general, governance refers to a process where public functions that traditionally were carried out by the State, are now taken over by other semi or non-state actors. Rhodes (1997) refers to this process as the 'Hollowing out of the State'; functions are lost upwards to supranational organizations (such as the European Union), downwards to special purpose bodies, and outwards to agencies (p. 17). One distinguishes two dimensions in this

respect; a vertical dimension whereby functions are lost at the expense of local or transnational government and a horizontal one whereby functions are lost at the expense of semi-private agencies and private organizations (NWO 2003, p. 4). This transfer of functions is accompanied by problems of legitimacy and accountability. If the state has lost authority in policy domains that it traditionally controlled, to what organization is this authority transferred and can this organization be held responsible and accountable for the effects of these policies? The moment governance is seen as a process rather than an institutional setting, a normative dimension is introduced. Is the process of this 'hollowing out of the state' a good one? Can central government or the 'core executive power' effectively steer regulatory bodies? Or, Rhodes (1997): 'has privatization increased the regulatory capacity of the state or have the privatized companies 'captured' their regulatory body?' (p. 17).

Rhodes emphasizes the importance of reflexivity when studying governments, in order to preserve 'its centrality to the study of politics' (p. 19). Therefore, a dynamic view on governments is better suited than an institutional one.

Osborne and Gaebler (1993), when describing the process of governance in the United States, follow the same narrative and argue that when governments focus on steering they actually take more policy decisions; they put more social and economic institutions in action. 'Rather than hiring more public employees, they make sure other institutions are delivering services and meeting the communities' needs' (p. 32). They do however acknowledge that this change in government calls for a new accountability system. This new accountability shift should take into account the new role government has, focussed on steering rather than rowing.

Osborne and Gaebler plead for a paradigm shift. A paradigm reflects 'most observed phenomena' and provides answers to deeply rooted questions. Government can no longer be described in terms of 'input-legitimacy', centralized organization or bureaucracy but rather in terms of 'public-private partnerships, alternative service delivering, contracting out or Total Quality Management' (1993, pp. 322-323). The hearts and minds of the people need to refocus towards a new form of government and a new way to describe state-society relationships; a paradigmatic shift towards governance.

2.1.5 Shifts in governance

The interaction between structures that is essential to the study of governance also shows us that there one can distinguish 'shifts in governance'. Shifts in governance refer to vertical as well as horizontal shifts of decision-making within and between national legislations.

An upward vertical shift is seen when discussing the increasing importance of institutions such as the EU or the WTO. What is the effect of these processes on national governments? On the one hand one might argue that the capacity of national institutions is enhanced through such bodies, one could however also argue that national institutional frameworks of policy-making are affected by these institutions and that these institutions thus limit national governments (Van Kersbergen and Van Waarden 2004, p. 153).

There is also a downward vertical shift from national and international to subnational and regional levels. As policy-making becomes increasingly international, there is at the same time a tendency to design regional or subnational agencies that implement and enforce regulations.

The increasing importance of Multinational Corporations (MNCs) shows how the economy has seen a vertical shift as well. MNCs operate cross-border and have institutionalized regulatory bodies themselves to coordinate their activities⁶ (Van Kersbergen and Van Waarden 2004, p. 153).

⁶ think of regulations that merge stock exchange and financial capital mobility, or of the International Organization for Standardization (ISO), a non-governmental organization that was initiated by the private sector to promulgate worldwide industrial and commercial standards (see: www.iso.org).

The public domain has also been subject to a horizontal shift in governance. First, a horizontal shift can be seen from the executive and legislative domain to the judiciary. In many countries, courts assume an active role in rule interpretation and hence rule formulation (ibid.). Van Kersbergen and van Waarden (2004) speak of 'a broader tendency of juridification of social relations'. Second, there is a horizontal public shift from public to semi-public or private organizations. For reasons of effectiveness and efficiency some public functions are increasingly executed by semi-public or private branches. Control agencies in the field of telecommunications, energy and media are clear examples of this (p. 154).

In private economic governance there are also horizontal shifts to be seen. Private companies rely less on coordination through markets and more through hierarchies and interfirm networks. This means that knowledge is shared with actors operating in the same field, while property rights are protected.

Finally, there are several mixed forms of horizontal and vertical shifts. Governance decisions do not follow the public-private or local, national, supranational rationale, but are formulated within complicated networks that encompass all of these rationales.

2.1.6 Governance as analytical framework

Now that I have discussed governance both as structure and as process, it is sensible to discuss governance from a higher abstraction level. In the light of the ample references to the meaning and range of governance, an intellectual debate on the boundaries of governance seems appropriate.

When looking at governance not as a societal phenomenon, but rather from an analytical perspective, one has to acknowledge that the scope of study has profoundly changed. Government, whether in a local, regional or national (and international) context, refers to solid institutions. From this, one can derive a clear picture of the interplay between government and society. Government makes laws, levies taxes and provides public services. Society in return abides by these laws, pays its dues and makes use of these services.

Introducing governance opens up a Pandora's Box: the boundaries, scope and dynamics of the object of study are suddenly up for discussion. Scholars all acknowledge this problem and deal with it in different fashions.

Pierre and Peters (2000), as argued above, choose a state-centric approach to governance. The state remains the 'predominant expression of the collective interest' and therefore remains the key political actor (p. 25). Although the role of the state is transforming as we have moved into the third millennium, this should be seen as an opportunity to redefine itself.

Rhodes (1997) talks of a 'differentiated polity' in which (British) government operates between different levels, characterized by functional and institutional specialization and the fragmentation of policies and politics (p. 7). Rhodes recognizes the important role bureaucracy remains to play in British government. He sees an opportunity for an interplay between government and various types of 'governance structures', be it markets, hierarchies or networks. The choice of governance structure is not necessarily a normative one, but rather one of practical nature. British government is searching for a new 'operating code' in which it chooses between various types of governing structures (p. 47). In this sense Rhodes, just like Pierre and Peters, holds on to the state as the departure of his deliberations.

Theories on communitarian governance and economic governance place less emphasis on the role of the state in the policy making process. The former believes in the power of (small) communities to resolve common problems. Governments – in their view – were institutionalized to address political conflict, not to provide the range of services most governments in present

days do. Since there is no intrinsic controversy involved in the provision of these arrangements, the role of the state is obsolete in this regard (Pierre and Peters 2000, p. 21). The latter sees the economy as commonplace for economic actors to cooperate to resolve common problems without the least bit of government interference (ibid., p. 19).

Most academics acknowledge the broadened scope that the study of governance brings along and use the various expressions of governance in such a way that it suits their research. Governance therefore offers both threats and challenges to the study of Public Administration.

In this subchapter I have tried to summarize the developments of 'governance' from its origin to its various interpretations. By discussing governance as structure I highlighted the different institutional views one can have towards the concept. Seeing governance as a process reveals some interesting dynamics of the changing role of the state and the increasing influence of non-state actors in the domain of public policy-making. The normative debate that is intrinsically connected to the dynamics of governance has only been marginally touched upon. It is not my intention to explore this debate in-depth. Governance from an analytical perspective reveals an interesting discussion. What should be the focus of the governance project, or 'governance theory', as most scholars not yet wish to speak of? Different authors argue for a different focus and locus.

2.2 Multi-level Governance

The term *multi-level* governance refers to governing practices at multiple levels of decision-making and was first used in the context of European integration. As the European Union, or in these days the European Community for Coal and Steel (ECSC), developed from the 1950s, judiciaries and policy areas that used to belong to national governments were shifted to a European level, creating multiple arenas for policy-making and implementation. European institutions were created, some with a highly intergovernmental character, such as the European Council or the Council of Ministers, others of a more supranational nature, such as the European Parliament or the European Commission. As the role of governments in governance refers to the regulation of public activities rather than the redistribution of resources, a large web of local, regional and European actors – whether public or private – influence policy-making and policy-outcomes through multi-level governance.

With regards to the process of Europeanization, multi-level governance should be seen both as a vertical as well as a horizontal shift. Although most authority is shifted along vertical lines, from national to European, there has also been a good deal of horizontal shifts of authority between European regions.

In the 1960s, discussions on European integration were dominated by the intergovernmental/neofunctional dichotomy. Where intergovernmentalism sees the process of integration as something controlled by states, neofunctionalism sees spillover effects of (economic) policies as the motor behind European integration. Both offer a different approach but have led to an overarching perspective on European integration: multi-level governance. To understand the dynamics of multi-level governance I will first address both intergovernmentalism and neofunctionalism.

Intergovernmentalism sees nation states as the only relevant actors in the process of European integration (Scharpf 1999, p. 64). First steps towards an economic, monetary and political Union, were of a clear intergovernmental nature; heads of government initiated and negotiated initiatives at the level of the Council of Ministers or the European Council. 'EC politics is the continuation of domestic policies by other means' (Moravcsik 1991, p. 25). A mechanism to explain inter-state bargaining is called the 'lowest common denominator' whereby bargaining tends to converge

towards the lowest common denominator of large interests. Traditionally, France, Germany and Britain were the deciding actors in European policy making. With the creation of the European Single Market and the threefold pillar structure of the Treaty of Maastricht, intergovernmentalism was still very well visible in the area of Foreign Policy (the Common Foreign and Security Policy, second pillar) and to some extent the area of Justice and Home Affairs (JHA, third pillar). Heads of State however have less influence over the first pillar of the Maastricht Treaty; the European Community, with its Treaty Establishing the Economic Community (TEC) which is mostly directed towards the European Commission.

The internal market that was created with the Single European Market (SEM) removed physical, technical and fiscal boundaries resulting in one European market with free movement of goods, persons, services and capital, competition policies and a Common External Tariff (CET). With the construction of an Economic and Monetary Union and the creation of a European Central Bank, national governments lost authority over a wide range of macro-economic policies. While the realm of policy areas in which national governments reach agreements through inter-state bargaining has substantively diminished at the expense of European institutions and judiciaries, intergovernmentalism retains its value especially in the areas of the CFSP and JHA. Current voting procedures under the Single European Act (SEA) reflect the balance between intergovernmental and supranational decision-making in the EU. Whereas in the first pillar decisions are made mainly through Qualified Majority Voting (QMV), most decisions within the CFSP are made on the basis of unanimity, resulting in a better bargaining position for Member States.

The core of the argument of the *neofunctionalists* lies in spillover. Most prominent academics dealing with neofunctionalism were Haas (1958) and Lindberg (1963). They make a distinction between functional and political spillover.

The process of European integration, took on a life of its own, pushing national governments into more integration than they had originally envisaged. Neofunctionalists argue that when governments integrated one part of their economies, other parts would automatically follow, leading to a functional 'spillover' in the other sectors (George in Bache and Flinders 2004, p. 109). As time passed by, functional judiciaries expanded, reinforcing one another into the arrangements we currently dispose of. Political spillover largely follows the rationale of functional spillover. National elites increasingly turned their attention to supranational levels of activity and decision-making; these elites became favourably disposed towards the integration process and the upgrading of common interests; supranational actors and non-governmental actors became more important at the expense of nation states and governmental actors (Nugent et al, 2003, p. 479). Whereas neofunctionalists focus on the importance of institutions as the Commission, the European Parliament (EP) and the European Court of Justice (ECJ), intergovernmentalists focus on intergovernmental channels such as the European Council and the Council of Ministers.

A view on European integration that tries to amalgamate both intergovernmentalism and neofunctionalism is multi-level governance. Although some academics refer to multi-level governance as a distinct theory of European policy-making, George (2004) argues that multi-level governance

'has effectively taken the place of neofunctionalism as the alternative theory to intergovernmentalism. It incorporates all the main elements of the neofunctionalists' theory, except for their central emphasis on functional spillover. It is a more comprehensive successor to neofunctionalism than the theories of 'supranational governance', which only pick up on some aspects of the neofunctionalist framework, and which therefore essentially form a subset of hypotheses within the multi-level governance framework.'

In 2001, the European Commission issued a 'White Paper', a call to reform 'European governance', in an attempt to make European policy-making more 'inclusive and accountable'. The White Paper signals areas for improvement such as 'better involvement of the people',

'better policies, regulation and delivery' and 'a refocusing of policies and institutions'. All these areas for improvement are based on the principle of multi-level governance, 'in which each other contributes in line with his or her capabilities or knowledge to the success of the overall exercise'. The real challenge is 'establishing clear rules for how competence is shared – not separated.' (White Paper 2001, p. 34). An important principle in European policy making is subsidiarity, 'the choice of the level at which action is being taken [...] must be in proportion to the objectives pursued' (White Paper 2001, p. 10). Clearly, for the European Union, the challenge lies in the dispersion of authority. How should authority be organized amongst local, regional, national and European institutions?

2.3.1 Negotiating an agreement in a multi-level setting

In the preceding subchapter I have outlined the different types of governance within the multi-level setting of the European Union. But let's take a closer look at how agreements are being reached in a multi-level setting.

The traditional dichotomy as outlined above is useful when analyzing different types of decision-making within the EU. Supranationalism in this regard can be seen as hierarchical. Decisions made at the level of the European Commission translate into policy directives that are implemented at the regional/national level (with a QMV consent of the Member States). The process of intergovernmentalism is of a more anarchic nature; Although all European institutions have at least some say in the CFSP, the Council of Ministers forms the heart of decision-making in this regard. Decisions are made by means of unanimity, making the process slow and unpredictable.

Multi-level governance attempts to bridge both approaches to decision-making in the EU and effectively shows the different dynamics between intergovernmentalism and supranationalism. However, the theory becomes obsolete when looking into the dynamics of multi-lateral negotiations. Neyer (2003) argues that European integration theory shows little sensitivity to the linkage between political order and discourse (p. 687). Next to hierarchy and anarchy, Neyer introduces a heterarchic approach. European governance in his view, 'must be understood as a heterarchical political process which encompasses the domestic, governmental and supranational levels' (p. 688). In a heterarchical structure, political authority is neither centralized nor decentralized, but shared, which means that 'units of a system pool their sovereignties in order to cope with problems that are beyond the individual problem-solving capacities of all Member States'. The governance theory combined with a heterarchical approach to decision-making can provide a (theoretical) solution to decision-making problems and deadlocks European integration is often faced with. It stresses the importance of not only reaching a QMV consensus, but rather the cooperation of Member States with the Commission, the EP and other EU-level institutions. In a heterarchy it is paramount for Member States to acknowledge the reciprocal relationship between EU institutions in order to reach optimal decisions. Neyer opts for an inclusive and co-operative mode of interaction (p.691).

Neyer makes a strong claim that modes of intergovernmental bargaining should be replaced by a more deliberative discourse in order to reach long-lasting decisions that are supported throughout different institutions. The premise that supports this argument is that bargaining relies on the use of promises and threats whereas deliberative arguing rests on claims of factual truth and/or normative validity (p. 691).

Table 1:	Dynamics of multilateral negotiations	
FEATURE	INTERGOVERNMENTAL BARGAINING	DELIBERATIVE DISCOURSE
<i>Interaction</i>	Conflict	Cooperation
<i>Negotiation premise</i>	Competition	Reciprocity
<i>Policy Outcome</i>	Trade-off	Pareto-optimum
<i>Exchange</i>	Suspicion	Trust
<i>Self Image</i>	Autonomy	Pooled sovereignty

Table 1 shows the differences between intergovernmental bargaining and a more inclusive model of interaction based on deliberative discourse. When Member States acknowledge their reciprocal relationship with other institutions and pool their sovereignties, decision-making will more easily yield a pareto-optimum. This requires the relationships to be built on trust and to be based on cooperation.

Neyer (2003) makes a distinction between *knowledge-based arguing* and *institution based arguing* as prerequisites to reach agreements in an environment based on deliberative discourse.

Knowledge-based arguing stems from epistemic communities (groups of non-political experts or scientists who work in the same profession and share an understanding of problems they have in common (p. 691)). When governments have not yet identified their national interest, epistemic communities can have significant impact on international politics since governments will be relatively open to non-political advice from experts (ibid.).

Institution-based arguing rests on the key notion that it is not so much the ‘common professional background or culture which is necessary for meaningful arguments, but rather institutional requirements which provide incentives for justification and reason-giving’ (Neyer 2003, p. 693). One important feature of this type of deliberation is opening up the negotiations to all actors that have a relevant stake in the discussion. Other institutional features are publicity, which forces actors to abstain from bargaining and to ‘modify their proposals so that they can be publicly justified as promoting collective well-being’ (p. 696) and legalization or legal rules against which actors’ behaviour can be compared and provide normative criteria against which preferences can be assessed.

Neyer (2003) argues that adopting a deliberative style of arguing will yield better results in terms of efficiency, effectiveness and quality of the final policy outcomes.

2.3.2 Agency theory

A phenomenon that is visible at the national, European and international level that captures the essence of the politics-administration dichotomy, is often referred to as ‘principal-agent theory’ or simply ‘agency theory’ (Pierre and Peters 2000, p. 44). Agency theory is a traditional top-down view on governance, mostly used in economic literature, which describes tensions between politicians who formulate policies and government (agencies) which execute these policies.

In this subchapter I will address some of the key features of agency theory, including information asymmetry, adverse selection and moral hazard as well as the key instruments at the disposal of the principal, including competition, incentives and monitoring.

The principal-agent relationship involves a principal – a political executive of some sort – who attempts to control his agents through contracts or other arrangements, and agents – agencies or individual bureaucrats – who have incentives to pursue their own interests and attempt to ‘shirk’ control of the principal (Pierre and Peters 2000, p. 44).

The model provides useful insights into the dynamics of national governments, government agencies or self-governing bodies under political authority. Central to the principal-agent relationship is the agency-problem, which occurs when the desires and goals of the principal and agent conflict (Eisenhardt 1989, p. 58). The executive power – the principal – finds himself under a certain amount of political pressure to initiate or alter public policy. The agent or agency is entrusted with executing this public policy within the existing structures of the government agency and with a purpose of serving the best interest of its clients. These differences in positions and interests cause that agents will try to use their information advantage in their best interest (not necessarily the best interest of the principal) and that principals will try to influence or limit the agents’ behaviour by using incentive schemes or by monitoring the agents. The types of legislative- or policy- instruments a principal disposes of is crucial importance to understand the level of bureaucratic responsiveness of the agency; if policy guidelines are loosely formulated, this obviously allows for more discretionary room for the agency and vice versa.

The principal-agent relationship and the agency problem related to it, allows for two types of unobservable behaviour by the agent which can be detrimental to the functioning of the agency; moral hazard and adverse selection. Moral hazard refers to practice in which the agent lacks the agreed-upon effort. The agent is ‘shirking’; evading the performance of an obligation. Adverse selection refers to the misinterpretation of ability by the agent; the agent claims to have certain skills or abilities at the moment of hiring, causing his or her underperformance at a later stage. Both types of unobservable behaviour can be avoided by the principal by introducing instruments of competition, incentives and monitoring, the first two can be applied to stimulate the agent’s performance and the latter can be applied to correct agent behaviour. Principals dispose of a range of tools to exert influence on the agency and its agents. The way in which authority is delegated and to whom, the choice of policy alternatives and opportunities for oversight and control are essential tools for principals to constrain or enable agents.

In chapters four and five we will find out that these types of tools do exist within the UN Secretariat but are underdeveloped in some areas. Member States have an oversight responsibility towards the UN Secretariat which they can only fulfil with the proper tools. In chapters four and five we will see that creating a sense of ‘ownership’ is crucial to resolve the governance-management dichotomy that exists.

2.4 Concluding remarks

In this chapter I provided the reader with an overview of the governance literature since its departure some decades ago. By introducing multi-level governance, the first steps have been made towards the theoretic approach of my research. I have introduced the principal-agent theory to show what problems may arise between a principal and its agents. When discussing the relation between Member States and the Secretariat, this model will prove to be useful. In the next chapter I will discuss network governance in more detail, to provide the reader not only with a vertical approach to my research, but also with a horizontal one.

3. Network Governance

‘[...] it is unlikely, if not impossible, that public policy of any significance could result from the choice process of any single unified actor. Policy formation and policy implementation are inevitably the result of interactions among a plurality of separate actors with separate interests, goals, and strategies’ (Thompson 1967)

Since my empirical evidence is directed towards decision-making in a subsidiary committee of the General Assembly, which in effect can be regarded as a network, I will turn my attention in this chapter to policy networks, or more commonly: network governance. Before I elaborate any further on the characteristics of networks and actor behaviour within them, I will first discuss how the transition from a vertical approach to a more horizontal approach to governance should be understood.

3.1 From a vertical to a horizontal approach to governance

Subchapter 2.3.1 - on negotiating an agreement in a multi-level setting - already hinted at the existence of more anarchic structures in governance by discussing heterarchic policy-making. Whereas heterarchic policy creation discusses the reciprocal relationship between actors at different levels, networks address the reciprocal relationship between actors within one single policy community.

Among other scholars, Pierre and Peters (1998) have pointed at the reality of the last two decades in which the central government’s role in public policy creation has decreased notably at the expense of non-state actors. Hand-in-hand with this development, they see the growing importance of networks. Governance is dominated by a vast number of actors having influence over the public domain. Or as Frederickson and Smith (2003) put it: ‘Instead of formal policy making institutions, governance is dominated by an amorphous collection of actors having influence over what and how public goods and services are to be produced’ (p. 217).

Pierre and Peters (1998) see common ground in the development of governance towards policy formation within networks, joined with a declining role of the central state, and the growing importance of New Public Management (NPM) practices that have emerged from the 1990s onwards. They argue that both approaches propose a shift of power from public office towards ‘entrepreneurial activities in policy networks’.

With the demise of the notion that the central state is able to steer society and that citizens, private organizations and lower tiers of government are passive to these steering activities, literature on policy networks started to flourish. As the next subchapter will indicate, network theories come from various corners of social science, including political science and organization theory. In this light, it is not surprising, that the number of references to and definitions of policy networks is rich.

The connection between my multi-level and network approach to governance that is guiding for the research at hand lies within my thorough belief that both approaches contain explanatory elements. Subsidiary committees of the General Assembly – and thus the Fifth Committee – are essentially intergovernmental in nature and should be regarded as such. This brings along a multi-level perspective to governance in which national governments formulate policy preferences that are binding for UN Management. This is a one way vertical relationship.

You could also look at the process from a different point of view. Day-to-day negotiations within the Committee are of a much more horizontal nature. Actors negotiate within a policy network and their preferences are framed by the network. UN Management plays an important role

during these negotiations and should be seen as a part of the network, rather than only at the receiving end of the policy process. Resources in terms of time and information – that for a large part is coming from the UN Secretariat – are crucial determinants for the success of the decision-making process. After I have discussed network governance in some more detail, I will come up with a model to analyze decision-making within in a network.

3.2 Policy networks

Studying networks in governance systems has been commonplace ever since the governance perspective caught on. Networks and policy communities are seen as a viable alternative to the traditional top-down concept of governance. Bottom-up studies, first labelled under the heading of ‘implementation studies’, focused on the actors involved in policy making at the ‘local operational level’ (Klijn 1994, p. 4). Rather than the traditional vertical relationship between the executive power and its administration, these studies pointed at the relevance of policy networks as the locus where individual actors followed their own problem-solving strategies.

In the 1980s, implementation studies and intergovernmental studies – that focused on the relations between ‘the different levels of governmental agencies, on the strategic perspectives of these actors and on their problem-solving capacities’ (ibid.) – developed into an integrated approach to studying policy (sub)systems, commonly referred to as policy networks. Rhodes in Great Britain (1981, 1988) and Pressman and Wildavsky in the United States (1973) were the first ones to conceptualize policy communities and policy networks into a theoretical framework. At a later stage, Kooiman (1993) speaks of *new governance* whereas Rhodes (1997) talks of *modern governance* when referring to network governance. All scholars stress the importance of the shift of attention towards policy subsystems and policy communities and the acknowledgment that governments and governmental agencies are not the central actor but just one of the actors in the policy-making process.

This development is noted by Kickert et al. (1997), who see the network approach to governance as ‘the intermediate area between the extremes of monocentric monorational hierarchical steering [...] and horizontal situations of complete autonomy of all actors’ (p. 182). The autonomy of the actor is limited by the reciprocal relationship between the actors. Actors’ behaviour is determined by their preferences and the strategies they pursue to achieve their goals. An actor should be seen as a ‘steering actor’ exerting ‘goal-oriented influence’ (ibid.). Crucial to understand the role and behaviour of actors in the network is that none of the actors possesses the power to determine the strategies of the other actors.

Rhodes (1997) has introduced policy networks to argue that British administration can no longer be viewed as based on a Westminster model (see: governance as hierarchy), but rather as a ‘differentiated polity’ (p. 7). In this differentiated polity, decision-making is specialized and fragmented along functional and institutional lines. Rhodes (2007) attaches four meanings to network governance. First, it implies *interdependence between organizations*. Governance is broader than government and involves non-state actors. Changing the boundaries of the state means changing the boundaries of public, private and voluntary sectors (p. 1246). Second, there are *continuing interactions* between members of the network. Third, the *interactions are game-like*, ‘rooted in trust and regulated by rules of the game, negotiated and agreed by network participants’ (ibid.). Finally, networks enjoy a significant *autonomy* from the state. They are not accountable to the state and are self-organizing.

The importance of *interdependency* and *interaction* is also noted by Klijn (1994) who argues that policy networks finds its roots in organizational science, policy science and political science (p. 15). Where one discipline focuses mainly on interest formation (political science), another one is more interested in rational actor behaviour (policy science). All three disciplines converge

towards the conceptualization of policy networks; 'more or less stable patterns of social relations between interdependent actors, which take shape around policy problems and/or policy programmes' (Klijn 1994, p. 16). From this definition, Klijn (1994) distils three important elements that are characteristic for policy networks; *dependency, variety of actors and goals, and relations*.

Networks exist and develop, because actors are interdependent (p. 17). In order to advance their goals, actors need each others resources. These interdependencies cause interaction between actors, which 'create and sustain relation patterns' (ibid.). Within networks, there is no single actor with enough power to influence other actors' strategies. There is no central actor and hence, 'no a priori given goal that can be used as a method of measuring effective policy' (ibid.). Since actors are interdependent within networks, cooperation between actors is vital. Agreement between actors is needed on what the problem at hand is and how it should be tackled. A possible way forward involves negotiations and bargains between actors and finally, a trade-off between interests.

Networks are unpredictable and ever-changing. This requires that actors strategically alternate their preferences over the course of time. Strategic interaction is an important feature of processes in networks (p. 18). Actors develop relations with other actors within a network. Networks vary from loosely coordinated ones to tight policy communities and the degree in which relations are institutionalized depends on the type of policy network one finds itself in. If actors interact with each other over a longer period, rules will emerge that regulate the behaviour and strategic options of single actors (ibid.).

To further research policy networks, I will now turn to discussing the dynamics of networks in terms of structure and agency, context, and outcomes, as I hope this will be instrumental to scrutinize decision-making processes within UN's administrative and budgetary committee at a later stage.

Marsh and Smith (2000) distinguish between three dialectical relationships that policy networks are faced with: structure and agency, networks and context and networks and outcomes. I will discuss each relationship separately.

3.2.1 Structure and Agency

It goes without saying that structure and agency have a reciprocal relationship within networks. Structures shape the room for manoeuvre of the agents but agents on their account can change the structure they have signed up to. Rational choice theorists see individual agents in a network as the rational actors that seek to maximize their 'utility'. Individual actors 'are guided by self-interest in choosing the course of action to their best advantage' (Howlett and Ramesh, 2003, p. 22). Rational choice theorists therefore argue that networks themselves cannot explain policy outcomes; it is rather the result of bargaining between actors. Others argue that it is the 'position and roles which actors perform which are crucial and the relationships between these roles, not the individuals who occupy them, which defines the network' (Marsh and Smith 2000, p. 5).

Marsh and Smith (2000) argue that structure and agency have a dialectical relationship. Networks institutionalize beliefs, traditions and culture which inevitably reshape or restrict actors' behaviour. Networks result from repeated behaviour and they help to routinize behaviour (ibid.). Next, they argue that there is a strong cultural dimension to networks. Within tight policy communities there is a 'shared world view', a common culture, in which actors' behaviour converges and which yields policy outcomes that express this common culture. This shared view within tight policy networks will more than often result in favoured policy outcomes. Traditions and culture inevitably influence policy outcomes through privileged policy options.

Agents formulate their preferences based on self-interest and at the same time their preferences are shaped by the norms and common culture inherent to the structure. Agency behaviour is guided by both rationales which interact dialectically.

3.2.2 Networks and Context

In order to understand the outcomes of decision-making processes we cannot only look at the agent-structure relationship, we also need to discuss the network and its context. Marsh and Smith (2000) recognize two different points here.

Policy networks reflect exogenous structures. The structure of a network most likely reveals broader patterns of inequalities within society. Within UN's administrative and budgetary committee, quite a few examples come to mind. The inequality in terms of contributions to the overall UN budget gives considerable political power to large donor countries. These countries are able to exert more political influence (although their vote is equal) than countries from the developing world. In the same vein, the mere fact that the developing world groups together under the heading of the Group of 77 also reflects the inequalities that are visible outside of the Fifth Committee Chambers. Context thus shapes networks.

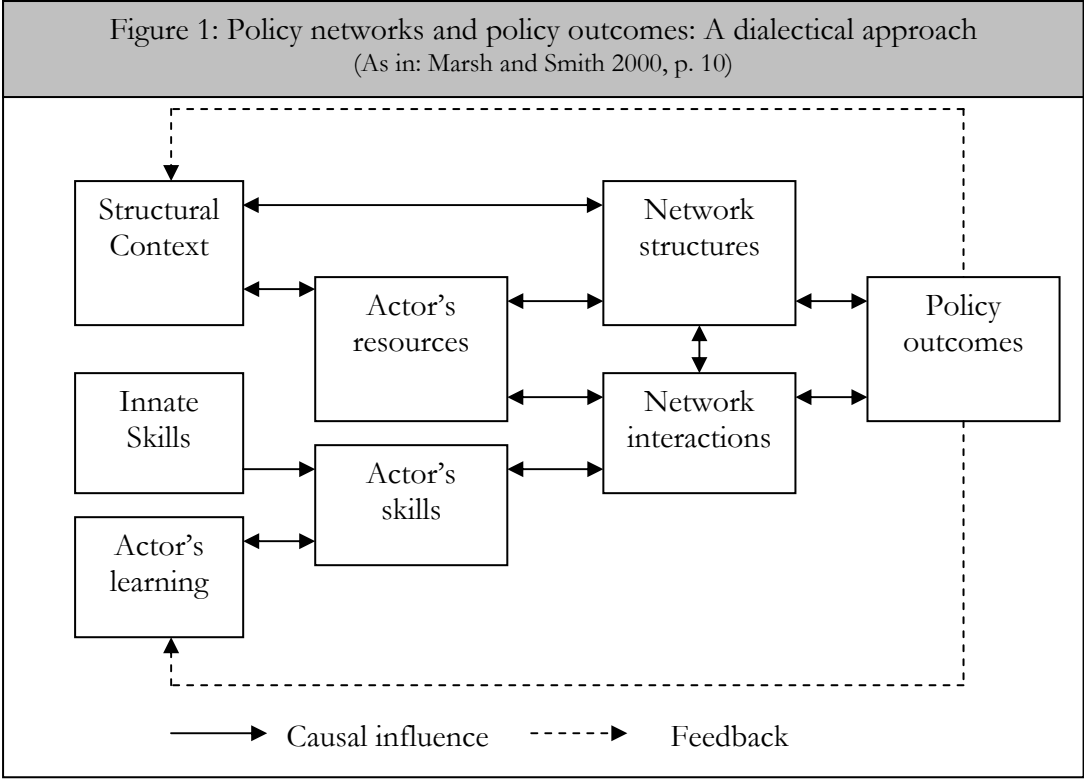
The second point made by Marsh and Smith (2000, p. 7) relates to network change. Although network structure, network change and policy outcome can be partially explained by factors outside of the network, 'these contextual factors are dialectically related to network structure and network interaction' (ibid.). It is therefore not to say that exogenous factors, or context, influence and reshape networks directly; the ways in which networks and network interaction reshape itself is highly dialectic as well. Network change is thus the product of a contextual change but this change is only reflected in the network to the extent the network allows it to, or has the power to.

3.2.3 Networks and Outcomes

While most literature focuses on ways in which networks affect policy outcomes, outcomes themselves influence networks in at least three ways (Marsh and Smith 2000).

First, a particular policy outcome may lead to a change in the membership of the network or the distribution of resources within the network (p. 9). Second, policy outcomes may have an effect on the broader social context that the network find itself in. This in return, may weaken the position of a particular interest within the network (ibid.). If UN's Fifth Committee for example decides to stop funding a programme that enjoys political support from the Group of 77, this decision may backfire in future negotiations. Third, policy outcomes can affect agents. If the policy outcome does not reflect the position or preferences of one or more actors, these actors may try other strategies and actions in future negotiations.

In sum, figure 1 shows the dialectic nature of policy networks:



The dialectical approach that is being applied in terms of structure-agent relationship, network and context and network and outcomes has shown that networks do not operate in a vacuum. Although this is not the only approach to networks and network governance, I have chosen this approach because I feel it can be helpful in revealing the relationships of various actors within the network of UN's administrative and budgetary committee. Agents, Context and Outcomes shape decision-making and I will hope to reveal these relationships with regards to UN's Fifth Committee in the next chapter.

3.3 Trust

Before moving on to discussing my research findings, it is useful to discuss the issue of trust in more detail. From the discussion on multi-level governance we have learnt that the United Nations is an intergovernmental body that accommodates 192 sovereign Member States. These Member States have an equal representation within the General Assembly and its subsidiary committees. The subchapter on negotiating an agreement in a multi-level setting (2.3.1) has showed us that intergovernmental committees adhere to a bargaining rationale, guided by conflict and trade-offs. Neyer (2003) however argues that it would be more beneficial for expert committees to adhere to a more deliberative model, based on cooperation and trust.

The introductory chapter has shed some light on the main problems that Member States face with regards to decision-making in UN's Fifth Committee. A first indication shows there exists a lack of trust between Member States and between Member States and the Secretariat that hinders the negotiation process and management reform attempts in general.

Apparently, the deliberative model that Neyer draws up does not work for UN's Fifth Committee. We can expect an explanation for this coming from my discourse on networks and network governance. In the chapter on network governance I have outlined the relationship between agency, context and outcomes. As we will see in the following chapters, context and

outcomes have important explanatory value for the apparent lack of trust between Member States and Member States and the Secretariat.

Breton and Wintrobe (1982), in their economic analysis on competition, exchange and efficiency in private and public organizations, devote reasonable attention to the principle of trust and the accumulation of trust in organizations. First of all, they make a distinction between markets and networks. They argue that markets 'presuppose the existence of property rights that are generally supported by laws and law enforcement' (p. 61). Networks differ from markets in the sense that property rights in networks are not supported by laws and law enforcement, but by trust.

Supposing that individuals want to exchange because they expect to be better off as a result of such exchanges, individuals bargain on the basis of trust – rather than on the basis of legally binding contracts – under two (sets of) circumstances. The first circumstance is when the quality/value of the goods/services traded is difficult to measure. The second set of circumstances relates to uncertain conditions in the future. If an individual is uncertain about the subset of goods/services he requires from the provider, or is unable to say what he is willing to give in exchange, or when he is willing to repay his provider, negotiations will be conducted on the basis of trust rather than legally enforcing contracts.

Breton and Wintrobe (1982) distinguish between two types of indicators that are related to the amount of trust that is generated between individuals. The first indicators are given ones, such as race, sex, ethnicity, and family background. The second indicators can be altered by the use of resources, such as reputation, education, club memberships, connections, language, religion, dress, politeness, speech, deportment, consumption patterns etc. An individual makes an assessment of the profitability of repeated exchanges with others by using indicators that have acquired significance for him. (p. 70).

The effect indicators have on individuals will change over time. When person A trades regularly with person B, the indicators A distinguishes in B will establish a level of trust. B's response in previous negotiations will then govern A's behaviour. Trust is however not transitive. This means that if person A trusts person B and person B trusts person C, this does not automatically imply a trust-relationship between A and C. If however the 'given' indicators of B largely resemble those of C, then A will find it less costly to signal and communicate with C.

In an environment with a multitude of individuals, such as a network, both types of indicators can lead to network truncation. With regard to the first types, one can speak of *social segmentation*, *social boundaries* or *social cleavages*, when 'given' indicators that refer to the social status of an individual impede the negotiation process (p. 84). These social barriers make trust formation problematic and require the use of resources to overcome these problems.

In sum, trust formation is essential in environments that are not guided by law enforcing mechanisms. Policy networks, in which gains and outcomes are difficult to measure and can change over time, are guided by a rationale based on trust. Trust is both determined by 'given' indicators such as race or ethnicity and by indicators that require resources, such as dialogue and connections. By investing in these last types of indicators, trust can be enhanced.

3.4 Concluding remarks

In this chapter I made an attempt to shed light on theories on network governance. In the preceding chapter I have discussed the origin and developments of governance to provide a backbone against which theories on multi-level governance and network governance were presented. I hope these two approaches to governance will assist me to reveal both the vertical relationship between UN Management, delegations and Member States in terms of policy

creation and implementation and the horizontal, network relationship that delegations find themselves in.

Later on in this thesis it will show that building trust is essential for successful management reform at the UN. I therefore believe in a governance approach that stresses the importance of trust within a governing body such as the United Nations. Rhodes (1997) argues that interactions within policy networks are game-like, 'rooted in trust and regulated by rules of the game, negotiated and agreed by network participants'. In relation to my research I argue that it is not so much of interest whether one adopts a multi-level, vertical approach, or a network, horizontal approach to the central problem. Both approaches will show significance when addressing my central research question, for it is important to acknowledge both the relationship between Member States *and* how they participate and interact within the Fifth Committee.

At this point I can draw up two hypotheses from the two theoretical perspectives:

H1: UN's Fifth Committee shows characteristics of an intergovernmental body that is guided by conflict, competition and trade-offs, rather than that of a technical body that negotiates on the basis of knowledge-arguing.

H2: The resources available to delegations in UN's Fifth Committee, the context in which the Fifth Committee operates and the way in which policy outcomes influence future negotiations determines the Committee's functioning.

Both hypotheses deserve some clarification at this point. The first hypothesis discusses the nature of the negotiations within the Fifth Committee. United Nation's Fifth Committee is a technical body responsible for all administrative and budgetary matters. It is on paper, and should be in practice an expert committee, that comes to a consensus decision after a round of negotiations on the basis of factual motives. Neyer (2003) argues that expert committees 'can have significant impact on international politics since governments will be relatively open to non-political advice from experts [...]'. These expert committees, or epistemic communities, 'are groups of non political experts or scientists who work in the same profession and share an understanding of problems they have in common' (p. 691). I feel that it is an important first step to investigate to what extent UN's Fifth Committee is an expert committee in practice. Given the fact that the Committee is inhabited by financial and administrative 'experts', who negotiate on an 'expert-level' rather than on a 'political/ambassadorial level', it will be interesting to see in what way these experts are influenced by broader national political agendas.

My second hypothesis is a horizontal approach to my central research question. In order to investigate what can be done to ameliorate the relationship between Member States and the Secretariat, I will look at structure and agency, context and policy outcomes and I will find out that in all three areas there is room for improvement.

Other questions that come to mind at this point:

- 1 What does the decision-making process in the Fifth Committee look like?
- 2 What are the main actors within the Fifth Committee?
- 3 Why have management reform attempts been unsuccessful in the past?
- 4 In what way does 'trust' or a lack thereof hamper the negotiation process?

I hope to provide an answer to these questions in the next chapter.

4. Research Findings

It has frequently been asserted that the financial problems of the United Nations is, in reality, a political problem. This proposition contains enough truth to serve us well, provided it is used not to dispose of the problem but to introduce serious consideration of it. Properly conceived, the political emphasis does not entail the denial of the meaningfulness and significance of the financial issue, but rather suggests the nature of the context within which that issue must be examined, and proposed solutions must be evaluated. Without an understanding of the political background of the fiscal difficulties of the United Nations and the political determinants of its future role in world affairs, one cannot deal intelligently with the problems and prospects of the Organization's treasury (Inis, 1963)

In the preceding chapters I have provided the theoretical background to closely study the interaction within UN's Fifth Committee. However, before turning to my empirical research, it is essential to get a better understanding of how UN's Fifth Committee operates and what the main actors are. In November 2007 I had a number of interviews with delegates from the Fifth Committee. I spoke to six representatives from the 'North', of which one of them was a P5 member (Member States with a permanent seat in the Security Council – see below) and four representatives from the 'South'. I talked to delegations from small and large countries, with high and low assessed contributions to the respective budgets. All delegations I talked to were Fifth Committee members and thus knowledgeable on the dynamics of the Committee. In addition I talked to one representative of an NGO that studies UN Management reform. For an overview of the questions I posed to delegations, I refer you to Appendix B.

This chapter will develop as follows. First I will discuss the background and context with regards to the Fifth Committee. This includes some detail on what the UN budget looks like, the differing amounts that Member States contribute and the growing North-South tensions. Next I will discuss what main actors exist in the negotiating process within the Fifth Committee, as well as the main oversight entities Member States dispose of. To get a better grip on the dynamics of multilateral negotiations, I will then outline what procedures are followed in the Fifth Committee. Then I will discuss how the negotiation process can be characterized, and I will point out that the Fifth Committee cannot adhere to a rationale based on deliberative discourse, but operates on the basis of intergovernmental bargaining, guided by a lack of trust. I will then discuss the issue of trust within the Fifth Committee, both on the basis of the key findings of the *Four Nations Initiative* and information received from my interviews.

At that point, we will have a clear understanding of what is most problematic to the Fifth Committee; a lack of trust between Member States and between Member States and the Secretariat. Then, I will discuss the dynamics of the Fifth Committee in terms of structure and agency, networks and context and networks and outcomes, to reveal where this lack of trust originates and in what direction solutions should be sought.

4.1 Background and Context

United Nation's Fifth Committee is the Committee of the General Assembly with responsibilities for administration and budgetary matters. Based on the reports of the Fifth Committee, the General Assembly considers and approves the budget of the Organization in accordance with Chapter IV, Article 17 of the Charter of the United Nations (website Fifth Committee).

The UN Secretariat has three ways of obtaining funds: the regular budget, the peacekeeping operations budget and voluntary contributions. Every two years, UN's Fifth Committee decides on the regular budget. This budget represented some 25% of the total 2005 expenditures of the UN Secretariat, while extra-budgetary and peacekeeping expenditures accounted for some 47%

and 29% respectively. Compared to the regular budget, the extra-budgetary resources of the UN have grown extensively over recent years. There are more than 150 trust funds through which voluntary contributions are channelled to the UN Secretariat, each of which has its own support arrangements and costs (Sagasti et al. 2007, p. ii). There has been a massive increase in UN peacekeeping operations over the last decade, resulting in a total of nearly \$7 billion in estimated costs for peacekeeping for the year 2007-2008 (website DPKO).

The amount that Member States contribute to the respective budget differs. Every three years the Fifth Committee decides on the scale of assessments, the amounts that each Member State contributes to the regular budget. The minimum amount to contribute is 0.001% whereas the maximum is at 22%. Big contributors to the regular budget are the United States (22%), Japan (20%) and the European Union (over 40% in total). For peacekeeping, another scale applies. The five permanent members of the Security Council (the United States, Great-Britain, France, China and the Russian Federation: P5) contribute more to this budget, together some 45% of the peacekeeping budget⁷.

The way in which the UN is financed reflects the power structures, political relations, ideological divisions, military capabilities and relative economic strengths of UN Member Countries (Sagasti et al. 2007, p. iii). The Cold War provided a framework for bargaining that characterized decision-making within the UN along traditional East-West ideological lines. This ideological division has been superseded by another cleavage nowadays, the diverging concerns of rich and poor countries (North-South) (ibid.).

The ongoing North-South tensions can very well be summarized as the struggle between the 'power of the numbers' (referring to the group of developing countries (G77) that in number outrange the 'North') and the 'power of the purse' (the 'North' finances the largest share of all budgets). Large donor countries lack voting power within the committee which has resulted in a stagnation of the regular budget and an increase in financing through extra-budgetary trust funds, through which donor countries can exert more influence (Sagasti et al. 2007, p. iii).

Over recent years the relationship between Member States has been characterized by a lack of trust due to these developments. The 'North' has increasingly looked for ways to keep control over resources that flow into the Organization, while the 'South' outnumbered other Member States in the administrative and budgetary Committee. Another problem that has emerged over the last decade is a problem of prioritization. Whereas countries of the 'North' increasingly seemed to prioritize the peace and security pillar on which the UN rests (cf. the major increase of peacekeeping missions over the recent decade), countries of the 'South' had the feeling that there was not enough attention given to development issues within the UN system. Another point is that the 'South' saw management reform initiatives that were launched mainly as a budget-cutting exercise suggested by the 'North'.

Hand in hand with feelings of distrust between Member States went a feeling of distrust towards UN Management. This lack of trust resulted in the existence of burdensome procedures, regulations, controls and reporting requirements that hamper the overall effectiveness of the Organization (Sagasti et al. 2007, p. iii). Later on in this chapter I will address these issues more in depth when I discuss two management reform initiatives that were launched as a result of the World Summit Outcome Document of 2005. Let us now turn to some of the main actors in the

⁷ I only provide information here that is relevant for my argumentation. For readers interested in how the UN budget is composed or how the budget process works, I refer them to the website of the Fifth Committee: www.un.org/ga/fifth. Another thing that I will not take up here, but which has troubled the relationship between Member States is the 'spending cap' discussion of 2006. For more information, see: www.centerforunreform.org

decision-making process in the Fifth Committee, as well as some of the oversight entities that assist the Fifth Committee in carrying out its oversight responsibilities.

4.1.1 Main actors and oversight entities

Although all 192 Member States are represented in the General Assembly and its subsidiary committees, negotiations in the Fifth Committee are between fewer Member States and groups of Member States. Below some of the key players in the negotiations.

The developing countries group together as the Group of 77. The Group of 77 started off in 1964 by 77 developing countries signatories of the 'Joint Declaration of the Seventy-Seven Countries'. The group 'aims to articulate and promote the economic interests of the South and enhance their negotiating capacity on all major international economic issues within the United Nations system and promote South-South cooperation for development' (mission statement website G77). Currently, the G77 comprises of 130 countries ranging from small to large (cf. Barbados and India) and from rich to poor (cf. Singapore and Malawi). Although interest within the group may differ (cf. large Troup Contributing Countries (TCC) such as Pakistan and a country such as the Congo in which the largest UN force is present), the group speaks with one voice through a rotating presidency. It has to be mentioned however, that not all developing countries participate in the Fifth Committee, and it is said that during G77 meetings the majority of member countries is absent.

The EU, now comprising 27 Member States, operates as one within the Fifth Committee. As the presidency of the EU rotates, the Fifth Committee follows this scheme allowing for a new presidency taking the lead every six months. The presidency formulates a general EU position but delegates tasks to EU-partners by means of 'burden-sharing' agenda-items.

Other large players include the United States, the Russian Federation and Japan and countries such as Norway and Switzerland (which only recently joined the UN), which are increasingly active within the Committee.

One group that is not institutionalized within the Committee but carries considerable weight to the negotiations is the 'Geneva Group'. This group comprises of fourteen Member States that all contribute more than 1% to the budget, together representing over 70% of the assessed contributions. The group has regular meetings in New York and Geneva during which often high-ranking senior UN officials are invited.

Although the Fifth Committee itself is the authoritative body in which negotiations take place, throughout the year there are numerous fora at which Member States meet and exchange views. It is commonplace for Member States to invite Secretariat officials on a bilateral basis to exchange views on certain concerns. Especially large donor countries and P5 countries have regular meetings with Secretariat officials for that purpose.

The Fifth Committee is assisted in its work by a number of independent oversight bodies:

- The Advisory Committee on Administrative and Budgetary Questions (ACABQ): a subsidiary organ of the GA comprising sixteen members that work in their individual capacity, elected by the General Assembly reflecting geographical distribution. Among other tasks, the ACABQ examines and reports to the GA on the budget proposal by the SG and other administrative proposals;
- The Board of Auditors (BoA): consisting of three members, carries out external audits of the accounts of the United Nations and its specialized agencies and reports thereon to the GA through the ACABQ;
- The Office of Internal Oversight Services (OIOS): established in 1994 as an independent office reporting directly to the SG. Its activities focus on internal audit, monitoring, evaluation, inspection, reporting and co-operation (with other oversight entities);

- The Joint Inspection Unit (JIU) a unit composed of (not more than) eleven members which carries out inspections throughout the UN system and reports thereon to the GA.

4.1.2 Structure of the negotiations

The Fifth Committee meets during the main part of the General Assembly (September to December) during which in uneven years the regular budget is discussed and in even years other topics such as HRM or (like in 2006) procurement-reform. Due to the heavy workload of the Committee there is a resumed session in March followed by a session in May dedicated solely to administrative and budgetary aspects of UN Peacekeeping.

The Secretariat of the Fifth Committee facilitates the meetings of the Fifth Committee and requests from Member States to Secretariat officials. Then, there is the bureau of the Fifth Committee consisting of five members of the Fifth Committee of which the chairman is at ambassador-level and the others are at the expert-level. Members of the bureau are elected through regional groups (Western group (WEOG), Latin American Group (GRULAC), Eastern European Group, Asian Group and African Group). Among other things, the bureau decides on the programme of work of the Committee.

All negotiations in the Fifth Committee develop as follows. A topic on the agenda is introduced during a formal meeting, in which the Secretariat introduces the relevant SG report, the president of the ACABQ presents its respective report and possibly other oversight entities present a report. Following the introduction, Member States or groups of Member States make a formal statement on the topic, in which areas of concern are being addressed. Then the discussion is continued during informal consultations.

A delegate of the Fifth Committee coordinates the negotiations. During informal consultations, Secretariat officials are invited during Question and Answer sessions (Q&As). During this period delegations are free to ask any question to their concern in relation to the topic. Secretariat Officials provide answers orally or in written format. The Fifth Committee is unique as it is the only subsidiary committee of the General Assembly that interacts with the Secretariat during its deliberation.

When the Q&As are finished, negotiations start. Resolution language will be introduced by one or more delegations which forms the basis for discussion. At a later stage, informal consultations will transform into ‘informal informals’ during which the discussion is less moderated by the coordinator in order to allow the last standing issues to be sorted out. If a consensus agreement is reached, a resolution will be adopted in the Fifth Committee, after which the final resolution will be adopted in the GA.

4.2 Recent management reform initiatives

Before I proceed to discuss my empirical findings in relation to the Fifth Committee, let us first take a closer look at recent management reform initiatives at the United Nations. At the World Summit of September 2005, a High-Level plenary meeting of the General Assembly, world leaders adopted the Summit Outcome Document (A/RES/60/1) in which they expressed their continuous support for the Organization’s activities and stated their determination ‘to reinvigorate the intergovernmental organs of the United Nations and to adapt them to the needs of the twenty-first century’ (p.31). Among requests in the areas of the three pillars of the UN (development, peace and security and human rights), Member States requested the SG to continue reform efforts in the areas of oversight and management processes. In a response to this 2005 Summit Outcome Document, the then SG Annan put forward a number of specific proposals and ideas in numerous reports on *Investing in the United Nations* and *Mandating and*

Delivering. I will now turn to these documents to take a closer look at what was proposed by the SG and what the response of Member States was.

4.2.1 Investing in the United Nations

In *Investing in the United Nations*, SG Annan calls for a radical overhaul of the UN Secretariat in terms of rules, structure, systems and culture. Due to the enormous increase of UN activities over the past decades in all three pillars in which the UN is active, there was an urgent need to reform the UN Secretariat and make it apt for the challenges of the 21st century, according to the report. Secretariat officials were stretched which meant there was a pressing need to invest in Human Resources and a proper management system that does justice to all UN employees worldwide (over 100.000). The report made some 23 proposals to strengthen the UN Secretariat and its people which include proactive, targeted and faster recruitment, staff mobility integrating Headquarters and field staff, the creation of a Chief Information and Technology Officer to oversee the creation and implementation of an effective information management strategy, a shortening of the cycle for review and adoption of the Organization's programme budget, the consolidation of peacekeeping accounts and improved Secretariat reporting mechanisms.

The report also stressed the need for new principles to guide the interaction between the Secretariat and the General Assembly on management and budgetary issues to make it more focused, strategic and results-oriented. To this end, the SG proposed to create:

- *workable decision-making processes*: when discussing matters of details, Member States should work in small representative groups so that larger bodies could focus on strategic issues;
- *a clear division of labour*: intergovernmental bodies would make high-level decisions on priorities, policies and the overall allocation of resources, while leaving operational details to be managed by the Secretariat
- *a credible reporting mechanism*: Member States would receive accurate and timely analysis and information from the Secretariat, enabling Member States to evaluate Secretariat actions and ensure that their mandates were properly implemented.

Especially this first proposal was not welcomed whole-heartedly by the entire Membership. The G77 did not favour the idea of having some issues discussed in smaller groups as they had the feeling some Member States would be left out in the discussion. The 'small groups proposal' as it was very soon referred to fuelled feelings of distrust among Member States and towards the Management.

Member States did however see the need for reform and adopted a range of resolutions in the area of procurement reform (allowing for more internal controls), the administration of justice (a newly designed internal justice system for employees) and the establishment of an Ethics office. Other proposals, such as an accountability framework, enterprise risk management and results-based management (RBM) were deferred and will be taken up in the current, 62nd session of the GA.

4.2.2 Mandating and Delivering

Another SG report, *Mandating and Delivering* (A/60/733), was a response to the commitment of world leaders to 'strengthen and update the programme of work of the United Nations so that it responds to the contemporary requirements of Member States'. The report signalled the need for clearer reporting and more effective mandates. The SG saw the need for reform in four areas. First, reporting requirements are burdensome. The Secretariat is confronted with the obligation to produce a high number of reports which unduly overwhelm Member States. Because of the high quantity of reports the quality and impact of those reports is often compromised. 'Because information of the overall picture of the Organization's work in an area is often not provided, it

is difficult through those reports to judge the effectiveness of mandates in meeting the Organization's objectives'. Second, there exists overlap of activities between and within UN organs, resulting in many interrelated mandates often expressing different views and ideas. The existence of interrelated mandates is 'generally confusing, redundant and wasteful'. Third, the proliferation of mandates has sometimes led to overlapping, uncoordinated and inconsistent architectures for implementing mandates. Little guidance is given on what to do with older mandates that address the same issue. A final and fundamental problem was the recurring discrepancy between mandates and resources: Member States easily assign new responsibilities to the United Nations, however often without providing for the adequate corresponding resources.

In order to respond to these problems, *Mandating and Delivering* calls for improved reporting and documentation requirements that provide for timely, precise and concise information that meets the needs of Member States and does not overburden the Secretariat. Next, mandates should be monitored and evaluated. There should be information available on the effectiveness of mandates and their relation to the overall programme of work of the organization. Finally, Member States should provide strategic direction and objectives when adopting resolutions and the SG should determine which entity or department is the most competent 'to lead implementation efforts'.

In June 2006 a working group on Management and Secretariat reform was established to guide the mandate review process. From the moment the informal working group started its activities, the process of reviewing mandates proved to be contentious. There was no general consensus among Member States on the guiding principles that should be followed during the process and what types of mandates the working group would be reviewing (and which fell outside of its scope). The review of the first cluster of mandates (on drug control, crime prevention and combating international terrorism) was finished after three meetings, but no mandates were officially reviewed.

The 'Center for UN Reform', an INGO that monitors management reform within the United Nations, portrayed the progress as 'sluggish' (website Center for UN reform) and argued that the progress was exemplary to the existing 'lack of trust' between Member States. Again, developing groups were particularly worried that the mandate review exercise was seen by Western countries as a cost-saving opportunity.

Last September, the new president of the General Assembly Srgjan Kerim proposed a set of parameters that should guide the mandate review process. Kerim particularly mentioned the need for caution in approaching 'politically sensitive' mandates, and the need for more participation and information from the Secretariat. The way forward as proposed by Kerim was generally well accepted by the Membership and the different groups have taken the proposal up for discussion (Reform the UN, 18 October 2007).

Without overtly focusing on specific reforms that are currently debated or undertaken, we can distil from the above that interactions between Member States and the Secretariat have proven to be far from ideal. Proposals that are seemingly beneficial to the overall effectiveness of the Organization are not taken up by Member States and hamper the reform process. A fundamental issue in this discussion is the division of labour between Member States and the Management. Member States should govern the Organization, but what does this entail exactly? At this point I will turn to proposals for improved governance and management by an initiative of four Member States, the Four Nations Initiative.

4.3 The Four Nations Initiative

The Four Nations Initiative (4ni) on Governance and Management of the UN is an initiative by Chile, South Africa, Sweden and Thailand from 2005. Their mission statement is the following:

'The purpose of the 4NI is to contribute to a UN governed and managed in a way that makes it better equipped to respond to tomorrow's challenges. For the UN to truly progress, more of Member States ideas and perspectives are necessary, particularly on governance issues. A continued dialogue is required together with in-depth consultations. An interactive process will contribute to building of trust and of a new compact.' (website the4ni.org)

The 4ni identifies three focus areas that they devote their attention to: mandates and roles, governance, accountability and transparency and budget and financing. For each of these focus areas the 4ni has put forward a study that provides background useful insights and areas for improvement.

In 2007, the 4ni construed its final report, *Towards a Compact: Proposals for Improved Governance and Management at the United Nations Secretariat*, integrating all three focus areas and with clear areas for improvement for governance and management, such as building trust through accountability and transparency and stimulating dialogue and arenas between Member States and the Secretariat.

The 4ni argues that the governance and management problems of the UN are the result of rising expectations, rather than diminishing demands 'in a world in which the most important global issues continue to be brought to the world body for deliberations' (Towards a Compact 2007, p. 9). There exists however a low level of trust between Member States. Sometimes this might have been due to attempts to limit the participation of some Member States in the decision-making process. It also occurs that a lack of clarity on proposals unduly complicates the deliberations – even when there is broad agreement on the way forward. Creating trust and improving accountability and transparency seem paramount for the Organization to rise to new challenges. Trust should therefore be enhanced, both between Member States and between Member States and the Secretariat. The 4ni believes that a transparent and inclusive reform process will visualize possible gains for all parties involved which in the end will lead to a 'win-win situation' for all (Towards a Compact 2—7, p. 44).

These are some of the key areas for improvement as formulated by the 4ni (Towards a Compact 2007, pp. 45-50):

- *The mandate generation cycle:* Mandates should be more results-oriented. Member States should draft mandates more clearly in order to facilitate the preparation for the relevant Results-Based Budgeting (RBB) framework. Mandates should have clear timeframes, expected outcomes and indicators to measure them, monitoring systems and criteria for determining when a mandate is completed. The Secretariat should provide for proper feedback through programme performance reports.
- *The planning and budgetary process:* Objectives, indicators of achievement and expected outcomes should be more clearly defined by the Secretariat in order to measure performance accurately. There should be more workshops and training given on RBM/RBB to Secretariat officials and to the Member States – especially representatives to the General Assembly's Fifth Committee. To enhance predictability, all core activities of the Organization should be financed through the regular budget.
- *Human Resources:* Senior posts (USG, ASG, SRSG) should not be monopolized by nationals of any state or group of states. There should be formal and transparent procedures to assess candidates' qualifications. Geographical distribution in the Secretariat of personnel should be improved in accordance with the UN Charter and relevant General Assembly resolutions. A wider public should be informed on vacancies within the Organization.

- *Dialogue and Arenas*: There should be an increased use of inclusive and transparent briefings, workshops and discussions, where delegates can exchange views in a non-formal manner, particularly early in the decision-making process. These arenas should not replace established fora for negotiations and they must not be used for decision-making.
- *Peer review*: Systems of systematic exchange and peer review should be considered, reflecting the unique and inter-governmental nature of the Organization. The results should be made available in the public domain in order to laude excellence and to provide incentives in line with the emphasis on transparency.

4.4 Negotiation Characteristics of the Fifth Committee

In the preceding chapter I drew up a model that indicates how negotiations in a multi-lateral setting can take place. Most intergovernmental bodies follow a bargaining rationale in which negotiations are built on suspicion, conflict and competition and outcomes of the negotiations are sub-optimal due to a trade-off of different positions. The other model, based on a more deliberative rationale, provides for negotiations that are based on trust and cooperation and in which actors pool their sovereignties in order to achieve a pareto-optimum outcome. So much for the theory.

The United Nations Fifth Committee is a technical body. It deals with administrative and budgetary issues and is assisted in its work by the Advisory Committee on Administrative and Budgetary Questions (ACABQ) and other oversight entities. The Fifth Committee decides not only on the budget, it is also responsible for administrative decisions in the areas of for example HRM and oversight.

Although all respondents acknowledged the fact that UN's Fifth Committee on paper is an expert committee, the dynamics of the day-to-day negotiations are of a highly political rather than an expert nature. First and for all, Members of the Fifth Committee are not experts. They are diplomats that (because of their experience) may have gained some knowledge on administrative and budgetary procedures, but in the end they remain delegates with a politically charged agenda. As one respondent entrusted me: 'Delegates in the Fifth Committee are experts in negotiating, but not subject-wise. People become experts in the system, but that doesn't make them experts on the content'. Most decisions are based on broader political aims, which for the Western group might be described as 'fiscal prudence' and for the G77 and China as 'aiming for more posts, more procurement and more control'. Decisions to finance one or another programme is a political decision.

Positions of delegations are also formulated too haphazardly which disables the Committee to negotiate on the basis of knowledge-arguing. Delegations do look at the facts but in the end the discussion is just about priorities, which in nature is a political discussion.

The ACABQ should assist the Committee with factual and technical advice, but the reality of the last years is that the ACABQ has become more politicized. A common practice has become that new members of the ACABQ are former delegates of the Fifth Committee who know the wheeling-and-dealing of the Committee. The way in which advice is formulated and the timing of the ACABQ to release their reports can be manipulative.

In relation to the efficiency, effectiveness and quality of the policy outcomes (i.e. resolutions) of the negotiations, respondents argued that at the end of the day there is at least a consensus formulated in by means of a resolution. Resolutions are effective in that sense 'that people do get paid at the end of the day', pointing at the budgets the Fifth Committee approves.

However, because consensus has to be reached, a huge percentage of the language in the resolution is superfluous because it is used as a political tool to reach an agreement. In this

respect, another respondent talked about the use of ‘constructive ambiguity’, or the deliberative use of ambiguous language in order to advance some political purpose (a term attributed to Henry Kissinger, also known as ‘fudging’). This is widely being used in the Fifth Committee to progress the negotiations. The consensus principle signifies that bargains are struck among ‘the lowest common denominator’, one respondent told me, making all delegations in the end ‘equally unhappy’.

The negotiation process is inclusive in that sense that all actors that have a stake in the discussion can participate. The consensus principle means that individuals can have a huge influence. However, one respondent referred to the time pressure that the Committee is often faced with, resulting in the need to progress from informal consultations to informal informals within a period of hours. The restructuring of the Department of Peacekeeping Operations (DPKO) of last June 2007 is illustrative for this. The Committee was confronted with an enormous SG report comprising several hundreds of pages and a ditto report from the ACABQ. The SG had invested a lot of political capital in the restructuring proposal and although not explicitly mentioned, wanted to have it discussed by the end of the period. The Committee took up the proposal and had only several days to finish it; from the formal introduction to Q&A sessions and ‘informal informals’. The process as a whole was far from inclusive, but the starting and the ending of the process was transparent: ‘You can always see what you adopt’.

Secretariat officials play an important role during Q&A sessions since they provide the Committee with more detailed and up-to-date information. One respondent indicated that the level of information the Secretariat shares is limited and that the reports often lack quality. The respondent also raised the concern that the Secretariat often shares information with only a limited number of Member States. In general however, respondent were satisfied with the presence of Secretariat officials during the deliberations and the quality of reports that Member States receive from the SG.

A first indication tells us that the Fifth Committee can be called only a technical committee by name, not by how it operates. All respondents acknowledged that the Fifth Committee is in practice not a technical or expert committee and that negotiations are dominated by broader national political agendas. This results in resolutions that are effective, but show shortcomings in terms of efficiency (outcomes are trade-offs and hence not optimal) and quality (resolutions leave room for ‘constructive ambiguity’).

We have taken an important first step in this subchapter by discussing why the Fifth Committee cannot adopt a more deliberative approach for its negotiations. We are interested in where this originates, so we will now take a closer look at where these impediments come from, discussing agency, context and outcomes.

4.5 Structure and Agency

The main and deciding actors in the Fifth Committee are the delegations. They formulate preferences, negotiate on the basis of these preferences and finally adopt resolutions that reflect an amalgamate of interests. They are however in a constant dialectical relationship with the way in which the Committee itself (the network) is shaped. I will first discuss the problematic relationship between Member States after which I will highlight what the main problems are individual delegations encounter.

At the time of the Outcome Document in 2005 (during the 60th session of the GA), relationships between Member States were a lot more tense than they are at this moment. Especially the proposal by the SG to set up small working groups to allow the larger Membership to focus on

the overall strategy catalyzed feelings of distrust towards the Secretariat and among Member States. Relationships between Member States have bettered compared to the time of the Outcome Document, most respondents entrusted me.

The 4ni also speaks of a better atmosphere within the UN: 'during the second half of 2006 and the first part of 2007, progress has been made in some difficult areas which has contributed to a bettered atmosphere in the UN' (Towards a Compact 2007, p. 44). This is for the 4ni a reason to be optimistic about the possibility for reform towards a more inclusive and transparent process.

It must however be noted that, within the Fifth Committee, there is no such thing as a 'shared world view' or a common culture in which actors' behaviour converges. Delegations do spend over four months per year negotiating on a daily basis and all respondents acknowledged that there is a sense of cohesion between delegations within the Committee, some even spoke of friendship, even across traditional lines (North/South or East/West). There exists however a fundamental difference of opinion on roles and responsibilities.

As chapter 4.6.1 outlines, there exists a discord between delegations as to what the principal role of Member States should be when 'governing'. Although all respondents agree on the basic premise that Member States should set out the broad policy guidelines for the Secretariat who in their turn implement these decisions, the reality often shows that delegations do not negotiate on the basis of purely factual motives. When asking delegations about what the role of Member States should be, one respondent quite coolly entrusted me that 'Member States [just] have to look at the needs of the Management and act accordingly', completely ignoring the political modalities of the Committee. A discord on the fundamental issue of the division of labour between Member States and the Secretariat time and again generates discussions on a higher (political) abstraction level. This is not beneficial for the outcomes of the deliberations and for the culture within the Committee. This discussion links in to the debate on networks and context which I will take up below.

We are interested in what ways the structure of the Committee influences the behaviour of individual delegations. One observation that can be made is that smaller delegations have a stronger need for time-management than larger delegations or delegations that operate in groups. There are many items on the agenda to cover, especially for one-person delegations, so a selection of topics has to be made. The main reason for the full agenda of the Fifth Committee lies in the flow of reform initiatives that were launched at the World Summit in 2005. These proposals have to be regarded by the Committee in addition to the recurring budget proposals. In addition, the SG himself has come with reform proposals (such as the restructuring of DPKO) that burden the Committee.

Next to the full agenda of the Committee, the respondents see the late issuance of reports by the SG and ACABQ as a big problem. This often impedes delegations to prepare in full for the negotiations. One respondent argued that SG reports were too descriptive and should contain more analytical information.

From the above we can conclude two things. One is that, although there exists a sense of cohesion at the level of individual delegates, there is no 'shared world view' that facilitates the negotiations. As Marsh and Smith (2000) argue, beliefs, traditions and culture can be reshape or restrict actors' behaviour. The mere discord on guiding principles heavily distorts the common culture and hinders any progress on reform. The second conclusion is that actors (delegations) are restricted by the network (the Committee) in terms of resources. Although larger delegations did not see a problem with regards to time-management, it definitely is for smaller delegations. This problem goes side-by-side with the late issuance of documents by the SG and ACABQ.

4.6 Networks and Context

Marsh and Smith (2000) argue that policy networks reflect exogenous structures. This would mean that a network does not operate in a vacuum, but reflects modalities that are outside of the network. For what we have learned so far, this accounts for the Fifth Committee as well.

There are a few important things to state here. First, economic and political power differences within the UN system are very well reflected within the Fifth Committee. If the UN as a whole were considered a network, then global power differences were the exogenous structure that determined the power differences in the UN. If we consider the Fifth Committee to be a network, then power differences within the UN system are reflected in this network. Global economic inequalities translate into differing assessed contributions to the UN (regular) budget. This in itself is not a bad thing. Inequalities in terms of contributions do however create diverging opinions on how to manage the Organization. Countries from the North might support initiatives that are targeted at increasing the overall efficiency of the Organization by introducing 'Western' management practices, whereas countries from the South might feel patronized by these initiatives. Global economic inequalities are also reflected in the composition of the UN Secretariat. Although the UN has a proactive policy towards gender balance and geographical distribution, the Secretariat is inhabited by a high number of 'Northern' civil servants. Large differences in terms of global economic prosperity and education level seem inherently related to these figures.

Political inequalities within the UN system have a repercussion on the Fifth Committee. The power of the Security Council and in specific that of the P5 (the permanent Members of the Security Council; France, Great Britain, China, Russia and the United States) is being counterweighted in the Fifth Committee by the Group of 77 that represent a majority of the Membership in the GA (and subsequently in the Fifth Committee). This translates into a different opinion on what the role of Member States should be in relation to governance and management. Reiterating the point of one respondent: 'Western countries aim for 'fiscal prudence' while the G77 is 'aiming for more posts, more procurement and more control'.

The starting point for my interviews was the respective roles and responsibilities of Member States and the Secretariat. My intention was to assess to what extent there exist diverging opinions in this regards, since these roles and responsibilities go to the very heart of the activities that are undertaken by the Fifth Committee. Let us now take a closer look at this.

4.6.1 Roles and responsibilities

Although most respondents argued that Member States should 'govern' and the Secretariat should 'manage', they also acknowledged that the distinction is difficult to make. One respondent referred to the relationship not as problematic per se, but rather as 'confused': there is no common understanding of what Member States should be doing and this generates different stances in the discussions. One example of this 'blurred' relationship is the way in budget negotiations are being done, one respondent argued that governors are putting too much effort in things that might better be decided by the Secretary-General himself. Although governors should be dealing with strategy and management with the implementation thereof, argues one respondent, the Fifth Committee rather lost this distinction. There is a competitive attitude towards UN Management which leads towards Fifth Committee delegations leaning towards 'managing' themselves.

All this has to do with the level of involvement of Member States in properly running the organization. One could compare the situation with a private company with shareholders, another respondent argued. Whereas the Western group (or European countries) see themselves as shareholders of the company, the G77 and China and the United States see themselves as the

board of directors. It boils down to the question of: How far are Member States involved in running the organization? There are clear diverging opinions of what the UN should do and what the Secretariat should do. This creates a lack of understanding between delegations.

One respondent from the Group of 77 and China stressed the importance of the UN as an intergovernmental body and the fact that 'the UN is what we want it to be'. Member States fulfil the role of governors and the Secretariat should implement the decisions that come out of the negotiations. Secretariat officials are invited during the negotiations to make well informed decisions later on.

Another respondent of that same group argued that 'micro-management' does not happen out of a 'vacuum', but is rather triggered by the fact that the Secretariat fails to do its job. The respondent provided the example of HRM and geographical distribution within the Secretariat; since a group of countries is underrepresented within the Secretariat, Member States themselves need to stress this importance time and again. Respondents from the 'North' however indicated that micro-management is a result of distrust towards the Management rather than shortcomings of Secretariat officials. Both countries from the 'North' and 'South' acknowledge that micro-management happens but the nuances in their replies illustrates the divergent opinions on the distinct roles and responsibilities of Member States and the Secretariat.

Turning to our discussion on networks and context, another point to make relates to network change. Marsh and Smith (2000) argue that, although network structure, network change and policy outcomes can be partially explained by factors outside of the network, a more important question is what the driver of network change is, since the ways in which networks and network interaction reshape itself is highly dialectic as well. Network change in relation to UN's Fifth Committee can only be set in motion when the fundamental differences between Member States are resolved. Agreed, these tensions are exogenous to the Committee, but the way in which attempts are made to resolve this problem is crucial. Building trust by creating arenas for dialogue, as the 4ni suggests, could be a step in the good direction. We will look closer into areas for improvement in the next chapter.

Another point to make here is that the extent to which the SG is trusted is also important for the amount of flexibility the Secretariat is granted. Under current SG Ban-Ki-Moon there is less inclination to push for flexibility, one respondent entrusted me.

Networks and context provide useful insights for our discussion. Marsh and Smith (2000) highlight two points that are important. First, exogenous factors (economic and political) have repercussions on the Fifth Committee. Second, network change can only be facilitated in a way that suits the Fifth Committee. It does not suffice to point at the larger picture, while disregarding the modalities of the Committee itself. In the next chapter I will address this in more detail.

4.7 Networks and Outcomes

When we discuss policy networks and its outcomes it is important to discuss how these outcomes are being fed back into the network. According to Marsh and Smith (2000), one way in which this happens is that policy outcomes shape the actions and preferences of actors in future negotiations. In this section I will show that there are two main problems regarding actors' learning. First there are currently no systems in place within the UN system that create a sense of 'ownership' for Member States. Second, organizational learning within the UN system seems to be weak, because opportunities for dialogue and arenas are too weakly institutionalized.

Member States bind the UN Management through mandates. Member States should have a 'steering' role in this process by defining the broad policy guidelines, while the Secretariat implements these guidelines. But in order to provide Member States with the tools to make proper decisions, there should be the possibility for Member States to monitor progress within the Secretariat in order to hold the Secretariat accountable for their actions. As Göransson et al. (2006) put it: 'The lack of effective and transparent overview and oversight systems – ownership tools – have made Member States take on roles that they should not play. The result is another downward turn in the vicious spiral of lack of confidence' (p. 20). They argue that weak governance systems, culture and structures affect the Secretariat and that there is no functioning system in place for Member States to set the overall priorities for the Organization or to decide on outcome objectives and indicators.

The Fifth Committee should be the place where Member States define these priorities for the Organization, however, discussion are held on a mandate by mandate basis, rather than providing overall guidance (Göransson et al. 2006, p.20). Reports from the SG could be clearer and provide for more analytical information as one respondent argued. Negotiations on RBM and RBB that will be held during the 62nd GA could provide a way forward in this. One respondent argued that the Secretariat is beginning to shift towards a results based approach. 'This is a good development, it does not however go hand-in-hand with micro-management practices that are also visible within the Fifth Committee'. When the Secretariat disposes of reporting mechanisms that provide for clarity, with clearly stated objectives and indicators of achievement, this will empower the Membership to take 'ownership' of the Organization, since it provides them with the tools to take responsibility for the international system and for the efficient functioning of the organization itself (ibid.). Because delegations currently do not dispose of mechanisms to hold the Organization accountable, actors' learning is minimal.

Another limitation for the UN in general and for the Committee in specific, is the extent to which there is room for organizational learning. Göransson et al. (2006) argue that organizational learning within the UN is hampered because structures for incentives and sanctions are rarely used, internal audits lack enforcing mechanisms and because opportunities for reflection are not systematic. (p. 21). There should be opportunities both for governors and managers to learn from past actions. However, they are always pressed by time and the next agenda item. Creating more room for reflection, and more arenas in which Member States meet with the Secretariat, allows for more flows of information that will boost learning opportunities. All respondents agreed that creating more arenas for dialogue would be beneficial to the Committee. However, meetings should be inclusive, allowing for all delegations to take part and it should solely be an exchange of thoughts, not a debate on preliminary positions, most respondents argued. By not keeping information to your groups, but allowing a free flow of information, you create a level-playing field for all delegations.

In the subchapter on agency theory, I outlined how the relationship between a principal and an agent can be characterized. Although a principal-agent relationship is a typical top-down view on governance, and therefore relates to a vertical view on governance, I bring up the subject here, since this subchapter on networks and outcomes discusses the dialectic relationship between Member States and UN Management.

Agency theory acknowledges that there exists an information asymmetry between agents and principals. For a principal to exert influence on the agent, he should be able to dispose of the proper tools to do so. The apparent information asymmetry between the agent and the principal can be effectively diminished when all opportunities for oversight and control are exhausted.

How do we guarantee that policy outcomes foster ownership and organizational learning? Introducing mechanisms that allow for more transparency of the Organization seems to be a good idea, since it will enhance the understanding of Member States of what their governing role entails. Creating more arenas for dialogue is another useful tool to create organizational learning. These and other possibilities will be further explored in the next chapter.

4.8 A lack of trust

According to the 4ni, most problematic for any of the areas for improvement to be successful is the lack of trust that exists among Member States and between Member States and the Secretariat. Claude Inis (1963) (see gray box at beginning of the chapter) already pointed at the political nature of the financial debates that are so characteristic to the United Nations. Any area for improvement should be seen in the context of this political background. A lack of trust has been a fact of UN life since the beginning (Towards a compact 2007, p. 14). Trust however facilitates progress, thus building trust between Member States and the Secretariat is essential for the Organization to reform in any way. The 4ni sees trust both as a goal in itself and as a basis for continued progress of the UN reform efforts.

In chapter 3.3 I discussed the issue of trust from a theoretical perspective. Breton and Wintrobe (1982) make a distinction between markets and networks and argue that the latter is not regulated by laws and law enforcement, but by trust. The Fifth Committee is an intergovernmental body in which 192 Member States are equally represented. It decides on the budget of the UN and makes administrative decisions and has regular meetings throughout the year. Although there are unwritten codes of conduct and there are some strict procedures, there are now laws that regulate the content of the deliberations and the final resolutions. We can argue that the Fifth Committee is a policy network that is not guided by laws and law enforcement, but by trust between Member States. Building trust between Member States can therefore be seen as an important first step in improving relationships and enhancing the outcome of the deliberations. Let us now take a closer look at where this lack of trust seems to emanate.

4.8.1 Distrust between Member States

Although the General Assembly forms the chief deliberative organ of the organization in which each country has one vote, there are other modalities in place within the Organization that are far from egalitarian.

The Security Council of the United Nations deals with international peace and security and finds itself at the heart of our global security system. Within this body of fifteen Members, there are five Member States that have special power. The permanent members of the Council (France, Great-Britain, the United States, China and the Russian Federation – also referred to as the ‘P5’) have a permanent seat in the Security Council and dispose of veto-power, which means they can veto any proposal that is put forward. During the Cold War this veto-power paralyzed the Security Council in many ways, but in the recent two decades the Security Council has been instrumental for an increase in preventive diplomacy, post-conflict peace operations, the use of force by the UN and economic sanctions. These developments have led to a difference of opinion between Member States as to what is *the* authoritative body within the United Nations, is it the General Assembly, or the Security Council?

Security Council reform talks are ongoing to have it better reflect the economic and political realities of the twenty-first century, but as long as Member States cannot buy themselves a way into the Council, other ways are being sought to exert influence on the Organization’s work. The power that P5 Members have in the Security Council has its repercussion on other Committees, including the Fifth Committee. As we have seen in subchapter 3.1.1, the Group of 77 and China

have some 130 members, outnumbering other groups in the Committee. They are often said to be using this power to counterweight the influence of the P5 in the Security Council.

Loosely related to power asymmetries within the UN as a result of veto power in the Security Council, the North-South divide – the socio-economic and political divide that exists between wealthy developed countries (‘the North’) and the poorer developing countries (‘the South’) – remains an important driver for distrust within the Fifth Committee. As I have outlined above, there is an asymmetry in the level of assessments to the budget of the United Nations. Every three years the scale of assessments is fixed indicating what a country should be contributing to the budget for the coming period. Although agreement within the Fifth Committee is reached through consensus, one might argue that the expression ‘He who pays decides’ is in some way relevant for the decision-making process. The Geneva Group – the group of fourteen Member States that pay more than 1% of the regular budget each – has, although not as such institutionalized within the Fifth Committee, regular meetings at which they invite senior UN officials to update them on current issues. The North-South divide can often catalyze distrust between Member States – Southern countries may for example feel that the North is seeking for cost-cutting possibilities whenever possible, whereas Northern Countries suspect the South of pushing the budget whilst not paying (so much) for it.

4.8.2 Distrust between Member States and the Secretariat

Feelings of distrust between Member States and the Secretariat are very much related to the above stated power asymmetries that exist. Former Secretary-General Annan was invited monthly for an informal lunch with Security Council members at the latter’s invitation. However, no comparable practice has appeared for lunch meetings with the SG and members of the General Assembly or regional groups (Heinbecker 2007, p. 10). A practice has developed over recent years where the SG had meetings in private with P5 members. Although these meetings might reflect the existing power differences within the Organization, they underlined the ‘second class status’ of other Member States and fed the feelings of distrust.

Staffing procedures are not transparent and further generate feelings of distrust. The senior positions within the organization (USG, ASG, SRSG) tend to go to citizens of P5 countries and the overall geographical balance of UN officials is positively biased towards the North. Further, there is a wide-spread perception that many senior officials have – at best – split loyalties, serving both the interests of the Organization and their home countries (Heinbecker 2007, p. 11).

In subchapter 4.7 I argued that the UN currently has a weak governance system that does not allow for Member States to take ‘ownership’ of the Organization. Member States do not dispose of the proper management tools to hold UN Management accountable for their actions – which have led to micro-management practices. The lack of these proper checks and balances invigorates distrust between Member States and the Secretariat.

4.9 Concluding remarks

In this chapter I have tried to outline where the main problems that Member States face in relation to administrative and budgetary issues originate. The inequalities in terms of economic and political power determine the roles they choose during negotiations. Although a deliberative discourse would yield the most beneficial outcomes for any expert committee, the Fifth Committee is hampered by these very inequalities. Discussing structure and agency, networks and context and network and outcomes has revealed a lot of the modalities that are inherently connected to the Fifth Committee. Now that we have a common understanding of the origin of the problems, we will now turn to discussing a possible way forward.

5. Discussion of findings

Unfortunately trust is not a commodity which can be bought very easily. If you have to buy it, you already have some doubts about what you've bought' (Arrow 1974, p. 23)

This chapter provides a review of the problems the Fifth Committee encounters and where these problems originate. When we have a clear understanding of this, I will continue by discussing a possible way forward.

5.1 Division of tasks

Problematic for the Fifth Committee is the differing positions of delegations with regards to the division of tasks. This governance-management dichotomy has exhaustively been addressed in the preceding chapters. Although Member States acknowledge that they have a 'governing' task while the UN Secretariat should 'manage' by implementing their mandates, this does not offer enough guidance during the day-to-day negotiations. Delegations have differing positions on how they should fulfil their governing task.

This differing position has a political and economic dimension. The political reality of the United Nations system shows us that not all Member States have equal powers. Although Member States are equally represented in the General Assembly and subsequent organs, the UN Security Council consists of five Member States with a permanent seat and a veto-power. These P5 countries (China, Great-Britain, Russia, France and the United States) can exert considerable more political power in *the* UN organ that deals with matters of international peace and security. This power imbalance has its repercussion on other UN bodies.

The group of 77 – which promotes the economic interests of some 130 countries – has a majority within the GA and its subsequent bodies. UN's Fifth Committee is the only GA Committee which resolutions have a binding character; the mandates the Committee decides on, whether administrative or budgetary, directly bind UN Management. There is a counter-reaction towards the political inequalities that exist within the UN Security Council that finds its way to the Fifth Committee in terms of what position delegations take in the negotiations. As one respondent put it: The western group sees itself as the shareholder of the Organization, whereas the developing group sees itself as the board of directors. These tensions are referred to as the 'North-South' divide. This divide however does not only have a political dimension.

There is also an economic reality to the story. At the beginning of chapter four I have outlined that there are huge differences in terms of contributions to the UN budgets. The poorest countries pay only 0.001% of the regular budget, whereas larger and wealthier countries pay up to 22% of the budget. This inequality has resulted in different priorities for Member States. While countries from the 'North' prioritize towards 'fiscal prudence', countries from the 'South' may be positively biased towards the increase of development programs.

5.2 Differing positions as a catalyser for distrust

We may conclude at this point that differing positions between countries from the North and South are a catalyser for distrust. The very fact that there are such huge diverging opinions within the Committee impedes the existence of a common culture, or 'shared worldview', to which actors' behaviour converges. Negotiations are of a political nature; delegations follow instructions that are based on broader national agendas rather than on pure fact-finding.

Distrust between Member States is not beneficial for a Committee that decides on the administration and budgets of the United Nations. The introductory chapter has outlined the

changed nature of the Organization since the 1960s; the UN nowadays is an Organization with over 100.000 employees, with some 18 complex peacekeeping missions and four Headquarter locations (New York, Vienna, Geneva and Nairobi), reform proposals from 2005 have not been welcomed by the Membership wholeheartedly, whilst there might be a need for the Organization to become more efficient, effective and accountable.

Distrust between Member States has resulted in a weak governance system. Because negotiations have always been the result of a political trade-off, Member States have not been able to strengthen the Organization in terms of transparency and accountability. As I stated in chapter three, 'the types of legislative- or policy- instruments a principal disposes of is crucial importance to understand the level of bureaucratic responsiveness of the agency; if policy guidelines are loosely formulated, this obviously allows for more discretionary room for the agency and vice versa'. The absence of proper instruments currently available to Member States to hold the Management accountable for their actions is a reflection of the inertia within the Fifth Committee. If there would be one general understanding of what the Organization should do and how it should be held accountable, these instruments would have been in place for long; because these oversight tools are not in place, Member States do not have a sense of 'ownership'.

5.3 Distrust as an impediment for reform

The World Summit of 2005 showed that there is a need to reform the United Nations system, to do justice to the changed nature and role of the Organization in the areas of Peace and Security, Development and Human Rights.

Some improvements have been made since the Outcome Document of 2005. The administration of justice, a reform proposal for an internal justice system for all UN employees, has been discussed throughout 2007 and important improvements have been made in this regard. This signals, something which my respondents underlined, that the atmosphere has bettered with respect to two years ago. There are however other areas in which reform has not caught on so far.

There is a considerable amount of distrust towards the Secretariat and Secretariat officials. As outlined in chapter three, appointment procedures for high ranking officials (USG, ASG, SRSG) are not transparent. In addition, there are currently more officials coming from the 'North' than from the 'South'. Feelings of distrust towards Management often lead to 'micro-management'.

The absence of clear 'ownership' tools for Member States is another reason why 'micro-management' occurs. 'Mandating and delivering' shows that the mandate-generation cycle is far from clear; there are overlapping and sometimes even contradictory mandates. From 'Investing in the United Nations' we can learn that the planning and budget cycle and staffing procedures lack clarity and accountability.

UN's budget has over the years grown into a multitude of different budgets, of which the extra-budgetary resources – voluntary contributions by Member States directly to the UN – has become the highest amount. This is a clear illustration of the fact that some Member States do not see the Fifth Committee as the appropriate environment to negotiate resource allocation. Instead, they rather communicate directly with the Management which enables them to make arrangements on exact allocation, indicators of achievements and timeframes for implementation and results. Apparently the Secretariat currently does not communicate with these instruments through the Fifth Committee.

Generating trust should be seen as an ‘enabler’ for reform. When Member States trust each other and put faith in the Secretariat, there is a way to continue reform efforts. But how do we build trust?

5.4 Building trust as a way forward

We must acknowledge the fact that we cannot change the political and economic realities the United Nations is facing. Although Security Council reform talks are ongoing⁸, it will take a long time before the whole Membership would feel equally represented within this forum. North-South tensions will remain a fact of UN life at least within the near future. Since we cannot change these modalities, we should look for other ways to improve the negotiation process.

The 4ni sees improving accountability and transparency as a *sine qua non* for building trust towards UN Management. If we dispose of an accountable and transparent Secretariat – which has the proper management tools at its disposal – there will be no need for Member States to resort to micro-management practices. A very first step is however to generate trust among Member States.

Breton and Wintrobe (1982) make a distinction between indicators for trust that you cannot change – race, sex, ethnicity etc., and indicators that can be changed by dedicating resources to it. The General Assembly is a reflection of the world population in its entirety⁹; differences in terms of race, ethnicity, culture and beliefs are possibly nowhere to be found bigger. This is a fact of life and we must not want to change this. The second type of indicators however does allow for change. Investing in dialogue and creating more arenas for discussion should be a starting point for building trust.

In the next subchapter I will discuss what can be done to better the relationship between Member States as a first and important step towards management reform. In the then following subchapter I will discuss what concrete reforms should be undertaken to make the UN Secretariat more accountable and transparent.

5.5 Dialogue and Arenas

Question number ten of my interviews (see appendix B) addresses the proposal by the 4ni to create more dialogue and arenas between Member States and the Secretariat. Since the work of the UN has expanded tremendously over the past decades, the 4ni sees more dialogue and arenas as beneficial for discussions. Member States might feel the need to increase dialogue on ‘overarching priorities and challenges, such as how to make the link between security and development’ (Towards a compact 2007, p. 17).

Without an exception, all respondents acknowledged the usefulness of more dialogue and arenas. They stressed however the importance of transparency and inclusiveness. Meetings should be informal in nature and open to all delegations. As one respondent told me: ‘It should not be that the SG consults ten Member States in the understanding of having consulted the entire Membership’. Meetings should not be about preliminary positioning, but rather about creating a better understanding of the issue at hand and exchanging thoughts on a possible way forward.

⁸ For up-to-date information on Security Council reform I refer you to:
<http://www.centerforunreform.org/node/23>, accessed December 18 2007

⁹ As a matter of rhetoric I disregard the approximately three states that are not a Member of the General Assembly, which include the associated states of New Zealand, the Cook Islands and Niue. Although they dispose of their own domestic administration, their foreign affairs are taken care of by New Zealand.

These meetings could also be used as an opportunity for delegations to receive technical training in for example RBB or the budget process and meetings would allow for more interaction between Member States, the Bureau of the Fifth Committee, the Secretariat and the Secretariat of the Fifth Committee, to make sure everyone is 'on the same page'.

The 4ni proposes that both the Secretariat and Member States organize such meetings on a regular basis, not as a replacement but rather in addition to already existing structures. The Secretariat could more frequently arrange informal briefings, Q&As and workshops early in the planning and budget process before delegations or groups of delegations have taken a position on any of the topics. Member States could organize workshops and retreats in order to reach 'a common understanding of central concepts that may facilitate the formal meetings' (Towards a Compact 2007, p. 52).

5.6 Concrete reform proposals

The goal of more dialogue and arenas is to create a common understanding of the way forward for the Organization. Once trust has been built between Member States and the Secretariat, proper tools should be institutionalized that enable the Organization to strengthen its system, structure and culture. These tools should foster the sense of 'ownership' for Member States and resolve the tensions that are related to the principal-agent dichotomy.

SG reporting should be streamlined. As my respondents argued, reports are often issued late, and sometimes lack clarity or analytical data. Reporting by the SG could be enhanced by further exploring mechanisms such as RBB and RBM. In order for the Secretariat to be held accountable, reports should contain information that have clear indicators of achievement. This requires improvements from the side of the Member States when drawing up mandates. Mandates should be straightforward, with clear objectives and targets. The 4ni distinguishes between input-oriented, output-oriented and outcome-oriented mandates and argues that mandates should be more of this last category, since improved outcomes 'are the benchmark for measuring effectiveness' (Göransson et al. 2006, p. 12). Outcome-based mandates could be a way forward towards a more accountable and transparent Secretariat.

There should be thought of ways to streamline the different UN budgets. Currently the UN disposes of a range of different budgets, including the regular budget, the peacekeeping budget and a wide range of extra-budgetary resources from individual Member States. The different funding arrangements that are in place pose challenges to the Secretariat in terms of planning, budgeting, implementation cycles, intergovernmental review, reporting and accountability processes (Sagasti et al. 2007, p. 36) and make the financial picture of the UN unnecessarily cloudy, both for Secretariat officials as for Member States.

Reports by the ACABQ are often late, and the committee has become more politicized over the last years due to the membership of former Fifth Committee delegates. Member States should think of ways to avoid politicization of this advisory committee. Since most respondents acknowledged the importance of independent expert advice by the ACABQ, there should be thought of ways to depoliticize it. Although it is necessary for ACABQ members to have thorough knowledge on the UN and its respective budgets and administration, there should be thought of hiring financial experts from outside the UN system.

The process of hiring and firing of UN officials should be more transparent. The biased geographical distribution towards civil servants from the 'North' and the 'larger' Member States is not beneficial for building trust towards UN Management. There should be clear procedures on recruitment and appointment of Secretariat officials. Candidates should be appointed on the basis

of their merit, rather than on the basis of their country of origin. In this regard, the 4ni proposes to use hearings by, for example, special expert panels that assess the quality of candidates applying for a senior position.

The *e-staffing system* of the UN, the Galaxy system, will be replaced by another system (as agreed in resolution A/RES/61/244). The 4ni underlines the importance of transparency and accountability in the recruitment process; this new system should have inbuilt mechanisms to ensure this.

In general, negotiations are held on a mandate-by-mandate basis and there is not much room for an overall vision of where the Organization should be heading. Creating a vision that is supported throughout the Membership is of paramount importance, since the United Nations is involved in so many aspects of international cooperation. Not only is there an expected 6 billion USD associated with peacekeeping activities over 2007, activities are growing in the field of development and human rights as well. UN's governance system should be strengthened considerably to face these challenges.

Building trust through dialogue and arenas is a first and important step. Creating a sense of ownership is a second important instrument for Member States to better adhere to their governing role. A credible and accountable Secretariat builds trust between Member States and UN Management and will further delimit the boundaries between Member States' roles and those of the Secretariat.

5.7 Concluding remarks

I do not like to leave you with the impression of the United Nations as an Organization characterized by cumbersome procedures and inert decision-making alone. Granted, the areas for reform signalled above are pressing, and one can have considerable doubts whether structural inequalities will not continue to impede progress. It is however said that this is a fact of UN life, and one cannot and should not want to change this. Governing a body where all 192 stakeholders also constitute the governing body is at least challenging. 'The custodians of the UN system might seek comfort in the statement by President De Gaulle that it is impossible to govern a country that has 2000 varieties of cheese' (Göransson et al. 2006, p. 22).

What remains is a complex Organization whose activities stretch from the advancement of women's rights to protecting the rights of indigenous people and from agricultural development to peacekeeping in some eighteen missions employing over 100.000 troops. The United Nations is continuously stretching its boundaries and will continue to do so in order to 'promote social progress and better standards of life in larger freedom' (UN Charter, preamble para. 4), it is the task of Member States to live up to these challenges.

6. Conclusion

The only way forward is through intelligent, piecemeal reforms, such as expanding the size of the Security Council; improving operational effectiveness in all aspects of peacekeeping and peace enforcement; abandoning the Trusteeship Council and the Military Staff Committee [...]; shaking up or abolishing the ECOSOC; improving the performance of the human rights, environmental and cultural agencies; establishing closer cooperation with the Bretton Woods and other specialized agencies; and giving the working and structure of the General Assembly a thorough overhaul. That is not a bad list. In fact, if the greater part of these reform proposals were adopted by the governments that control the UN [...] this clumsy but worthy organization would be moving into the right direction. Slowly but surely, it would be getting better, strengthening that three-legged stool of peace, development and democracy envisaged sixty years ago by the founding fathers. There is an urgent need to start those changes now. (Kennedy 2006, The Parliament of Man)

This Masters thesis focuses on decision-making processes within UN's administrative and budgetary committee, the Fifth Committee of the General Assembly, and discusses where the problematic interaction between Member States and between Member States and the Secretariat originates and what can be done to ameliorate this relationship.

The central research question that has been guiding throughout this research, is:

‘What can be done to ameliorate the interaction between Member States and between Member States and the UN Secretariat with regards to administrative and budgetary issues?’

The sub questions I have used were:

1. What does the decision-making process within UN's Fifth Committee look like?
2. Who are the main actors within the Fifth Committee?
3. How are they organized?
4. What are the main problems with regards to this decision-making process and the outcomes of this process?
5. If there appears to be a lack of trust, how is this visible?
6. What can be done to solve the problem of a lack of trust between Member States and the Secretariat?

In addition, in chapter three, I have formulated two hypotheses:

H1: UN's Fifth Committee shows characteristics of an intergovernmental body that is guided by conflict, competition and trade-offs, rather than that of a technical body that negotiates on the basis of knowledge-arguing.

H2: The resources available to delegations in UN's Fifth Committee, the context in which the Fifth Committee operates and the way in which policy outcomes influence future negotiations determines the Committee's functioning.

In relation to my sub questions, I can conclude the following. The decision-making process within the Fifth Committee takes place between a number of key players from the developed and developing world, of which the Group of 77 and China, the EU, the United States, Russia, Japan, and CANZ are the most prominent ones. Decisions are made based on consensus; the consent of the whole Committee is needed in support for a resolution. Diverging opinions on the roles and responsibilities of Member States, between the developed ‘North’ and the developing ‘South’ form the basis of a lack of trust within the Committee. Management reform has taken place, but progress is hampered due to these diverging opinions and essentially an apparent lack of trust. There exists also a considerable amount of distrust towards UN Management. UN Management

is often not entrusted with the tasks it is assigned to, due to the blurred relationship between Member States and UN Management; it is not clear what ‘governing’ and ‘managing’ entails, and who should do what.

In order to ameliorate the interaction between Member States and between Member States and the Secretariat with regards to administrative and budgetary issues, trust should be generated between them. This can be done by investing in more dialogue and arenas. When Member States generate a common understanding of what their ‘governing’ role is, and what decision-making in the Fifth Committee should look like, trust between Member States will be enhanced. When Member States dispose of more fora in which they can exchange views without preliminary positioning, a level-playing field is created before negotiations have started. These fora should be complementary; they should not replace existing structures.

In addition, in order to restore trust towards UN Management, ‘ownership’ tools should be created to enable Member States to fulfil their oversight responsibility towards the UN. If proper ownership tools are in place, the governance-management tension will be alleviated, and trust towards Management will be enhanced.

By using my first hypothesis, we have been able to agree that UN’s Fifth Committee is not an expert committee. Although it is a technical body, the decision made within it are based on broader national political agendas. My second hypothesis addressed the way in which Member States interact within the Fifth Committee. Network governance, revealing structure and agency, networks and context and networks and outcomes has been a helpful tool to pinpoint where problems originate.

Next to investing in dialogue and arenas, I have made some concrete reform proposals in chapter five. First, SG reporting should be streamlined and mandates should contain clear objectives and indicators of achievement. ‘Ownership’ tools should be further explored, by making Results-Based Management (RBM) and Results-Based Budgeting (RBB) common practice for SG reporting. Second, there should be thought of ways to streamline all UN budgets in the long run. As outlined in chapter four, the UN currently does not only dispose of a regular budget, but also of a wide range of extra-budgetary resources that come from individual Member States, each with their own rules and regulations. For the sake of transparency, there should be thought of ways to integrate all different budgets in one UN budget. Third, there should be thought of a way to depoliticize the Advisory Committee on Administrative and Budgetary Questions, the ACABQ, since all Member States acknowledge the importance of clear and unbiased advice. Member States should be able to rely on timely and accurate advice from an advisory committee that is not influenced in any way by political sentiments. Fourth, recruitment procedures should be more transparent. Trust will be enhanced if all Member States feel equally represented within the Secretariat, especially within the higher echelons of the Organization. The introduction of a new *e-staffing* system will be a way forward in this regard.

It should be noted that any of these concrete reform proposals will only be introduced when the prerequisite for reform – trust – is enhanced. This should therefore be the starting point of all reform efforts.

In chapters two and three I introduced the concept of governance as the guiding principle of my theoretical approach. Although the literature survey has been helpful to develop an understanding of how and why nation states have lost power at the discretion of local or international institutions, it has been unsuccessful in addressing the core of the problem that I have researched in this thesis. I have been able to address the most pressing problem of a lack of trust (emanating from diverging opinions on what the United Nations should do and be) between Member States and Member States and the Secretariat, but the governance literature has provided

little guidance in this regard. Maybe international relations theory would have been more successful in addressing this core problem. However, I do believe that by using a vertical and horizontal approach to UN's Fifth Committee – multi-level vs. network governance – I have been successful in analyzing the relationship between Member States, the relationship between delegations in the Committee and the UN as a whole, and the interaction between Member States and the Secretariat. This has allowed me to systematically approach the core problem and look for viable solutions.

We must acknowledge that changes cannot and will not take place overnight; the most obvious trajectory is that of incremental steps towards building trust. This requires continuous efforts from Member States and the Secretariat. The UN has an ambitious agenda which requires a well functioning and well staffed Secretariat. It is the responsibility of Member States to provide the Secretariat with the proper instruments and resources to make the Organization ready for the challenges that lie ahead.

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The Group of 77 and China: www.g77.org, accessed: December 4th, 2007

Appendix A: List of Abbreviations			
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4ni	The Four Nations Initiative	UNFPA	United Nations Fund for Population Activities
ACABQ	Advisory Committee on Administrative and Budgetary Questions	UNODC	United Nations Office against Drugs and Crime
ASEAN	Association of South East Asian Nations	USG	Under Secretary-General
ASG	Assistant Secretary-General	WB	World Bank
CET	Common External Tariff	WEOG	Western European and Other States Group
CFSP	Common Foreign and Security Policy	WTO	World Trade Organization
ECJ	European Court of Justice		
ECSC	European Coal and Steel Community		
EP	European Parliament		
GATT	General Agreement on Tariffs and Trade		
GRULAC	Group of Latin American and Caribbean States		
IBRD	International Bank for Reconstruction and Development		
IMF	International Monetary Fund		
JHA	Justice and Home Affairs		
MNC	Multinational Corporation		
MS	Member State(s)		
NAFTA	North American Free Trade Area		
NPM	New Public Management		
NWO	Nederlandse organisatie voor Wetenschappelijk Onderzoek		
OECD	Organization for Economic Cooperation and Development		
Q&A	Question-and-Answer session		
QMV	Qualified Majority Voting		
RBM	Results-Based Management		
SEA	Single European Act		
SEM	Single European Market		
SG	Secretary-General		
SRSG	Special Representative of the Secretary-General		
TCC	Troop Contributing Country		
TEC	Treaty establishing the European Community		
UN	United Nations		
UNDP	United Nations Development Program		
UNEP	United Nations Environmental Program		

Appendix B: Questions for C5 Delegates

General:

Q1: How would you describe the relationship between the Member States and UN Management in relation to administrative and budgetary issues. What roles and resp. are assigned to the Member States and what to the Management?

Multi-level governance:

Q2: Do you perceive the Fifth Committee as an expert committee? To what extent are decisions made based on knowledge arguing?

Q3: How would you describe policy outcomes in C5 (*in terms of efficiency (means-end relationship), effectiveness (goal attainment) and quality (are all concerns equally addressed to achieve the best viable solution? – problem solving capacity)?*)

Are outcomes optimal – why (not)?

Q4: Is the negotiation process inclusive? Are all relevant actors included? What is the role of Management in this process?

Network governance:

Q5: Who are the different actors in the negotiation process?

Q6: How would you describe the culture within C5 – is the negotiation process transparent?

Q7: How do you regard your resources in the negotiation process (in terms of time and information available)?

Q8: Do you believe that the way in which negotiations are structured (planning throughout the year etc.) yields optimal results? How can it be ameliorated?

Reform initiatives:

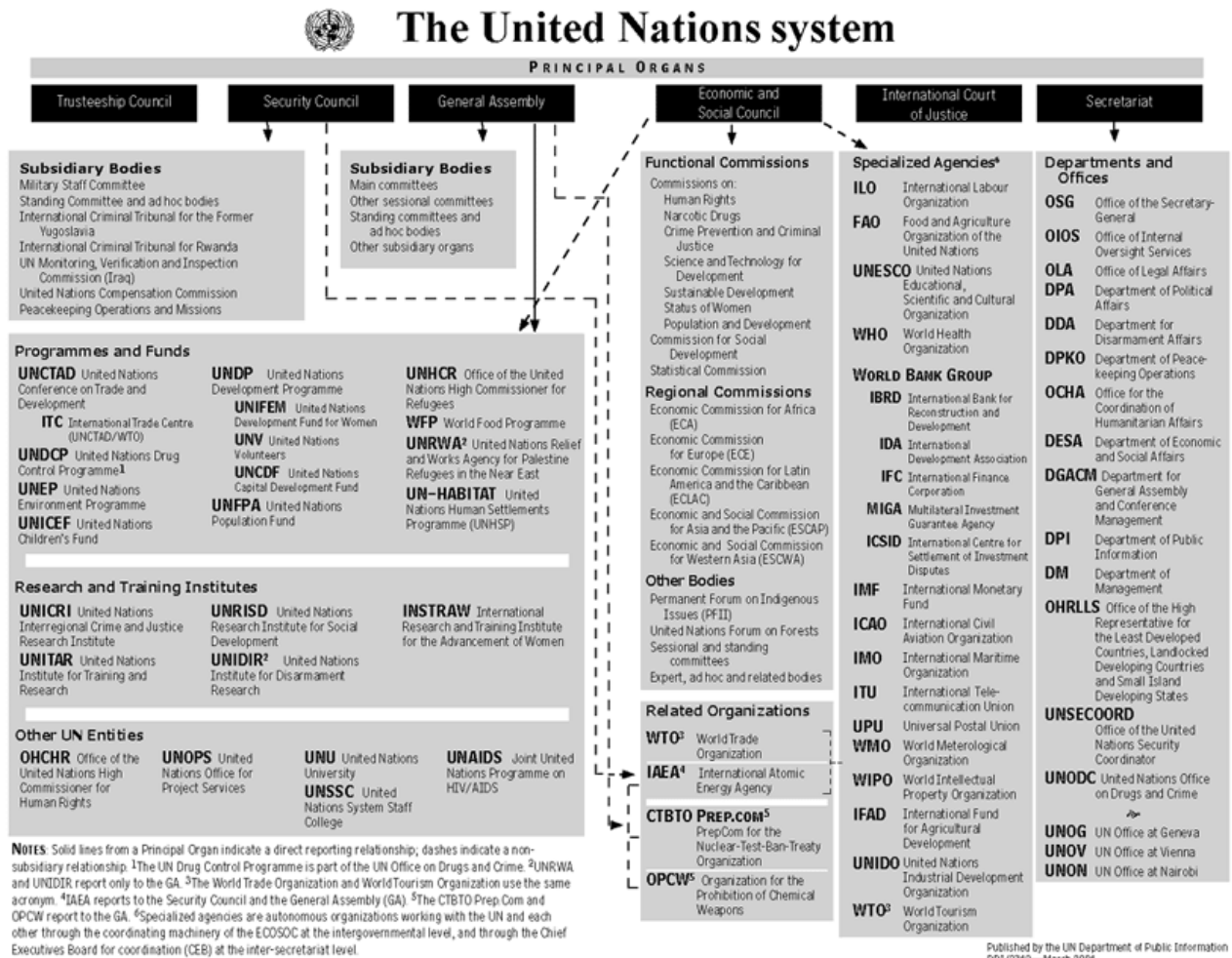
Q9: There have been attempts to improve interaction between MS and the Secretariat, but they have been unsuccessful so far – April 2006 a vote rejected reform proposals by the SG; especially on paras 20 & 21: new principles to guide the interaction between the SG and MS etc.

Why have reform attempts failed? - The 4ni, who have presented proposals to improve governance and management at the United Nations Secretariat, speak of a 'lack of trust' between Member States and between Member States and the Secretariat. Do you agree?

Q10: The 4ni opts for more inclusive arenas for dialogue. Would you agree this would help? Why?

Q11: What other reforms would be successful?

Appendix C: Organisation Chart





Permanente Vertegenwoordiging bij de

Koninkrijk der Nederlanden

Permanent Mission of the Kingdom of the Netherlands
to the United Nations
235 East 45th Street, 16th Floor
New York, NY 10017

New York, 13 June 2007

Letter of recommendation for Mr. Christiaan Schakel

Mr. Christiaan Schakel worked from 12 February 2007 through 15 June 2007 as an intern at the Permanent Mission of the Kingdom of The Netherlands to the United Nations in New York. Mr. Schakel worked for the Political Section, dealing with Administrative and Budgetary UN-affairs in the 5th Committee of the General Assembly.

During his internship Christiaan Schakel was an essential member of the Dutch delegation to the Fifth Committee. His principal task was reporting on deliberations and decisions in informal and formal sessions of the Fifth Committee, and of EU and WECCG (Western European and Other states Group) coordination meetings. He tackled these complex issues with enthusiasm and skill. His background in and interest for Public Administration proved to be of invaluable support to the delegation's input in the Fifth Committee.

Mr. Schakel has strong interpersonal skills which, in combination with his command of English, provided him quickly with the necessary network to obtain useful information. He was notably at ease with and appreciated by other UN delegations. He required little guidance and could be trusted fully with the tasks assigned. He worked independently and came at times with creative and useful analyses and suggestions.

In his activities Mr. Schakel showed great commitment and proved to have good writing skills. The high pressure and long hours did in no way affect the quality of his work. It was a great pleasure to have Christiaan Schakel on the Dutch 5th Committee Team!

I can therefore highly recommend Mr. Schakel on the basis of our experience with him.

Frank Majors
Ambassador
Permanent Representative