

## *Case 91*

### United Nations Arrears Campaign

*United Nations Foundation/Better World Fund, 1997*

Scott Kohler

#### *Background.*

The effectiveness of the United Nations depends upon the Member States' meeting all their obligations. Assurance that these obligations will be met depends in turn upon the will of the peoples of the Member States. The vigor of the United Nations stems therefore from a public opinion educated to understand its problems . . .

The [United Nations] is the hope of the world for lasting peace. It provides mankind today with the best opportunity to unite for the preservation of civilization and for the continuation of human progress. . . .

On behalf of the United States Government and of its people, I renew the pledge of our utmost efforts to insure the success of the United Nations. We shall do our part.

—Harry S. Truman

*June 25, 1947*

President Truman spoke these words on the second anniversary of the founding of the United Nations. He was speaking to a world that had been torn by war and still faced massive challenges of reconstruction and reconciliation. For forty years, the United States lived up to Truman's commitment, taking a leadership role in the activities of the United Nations and meeting faithfully its financial obligations to the organization. However, by the 1980s, support for the U.N. in the U.S. Congress had become much diminished. Conservative lawmakers alleged that the U.N. had become a bloated, inefficient bureaucracy, riddled with corruption and possessing very little capacity to do real good. Furthermore, Republicans alleged, the U.N. almost never served American interests. Rather, it had become a forum wherein nations could criticize and attack the United States, even while the U.S. hosted the U.N. and was its single largest contributor of dues.

Motivated by such sentiments, the U.S. government began to pull back from participation in the U.N., and in the mid-1980s, Congress began to hold back a portion of its U.N. dues.<sup>122</sup> By the mid-1990s the U.N. was more than \$2 billion in debt, and roughly half of that amount was owing to the arrears chargeable to the United States.

When Kofi Annan became Secretary-General of the U.N. in 1996, he instituted fiscal reforms that cut the U.N.'s bureaucratic budget by over \$200 million and reduced staff levels to increase efficiency. A measure was introduced in Congress to repay the full U.S. debt to the U.N., but it soon foundered on partisan disagreement over an unrelated amendment that had been attached by Representative Chris Smith.

*Strategy.* In September 1997, the United Nations received an unexpected windfall when billionaire media mogul R.E. "Ted" Turner surprised the audience at a Washington awards banquet by pledging to donate \$1 billion to the United Nations. Turner had long been a dedicated internationalist and an ardent supporter of the U.N. He had also been heavily involved for years in the United Nations Association of the U.S.A., a not-for-profit group "that supports the work of the United Nations and encourages active civic participation in the most important social and economic issues facing the world today."<sup>123</sup> To administer his gift, Turner created the U.N. Foundation, and its affiliate, the Better World Fund. According to the Foundation's president, former Senator Timothy Wirth, "[w]e set four broad priority areas: Women and population stabilization, sustainable environment and

climate change, children's health, and strengthening the U.N. system."<sup>1294</sup> In effect, the United Nations Foundation handles the first three of these priorities, and the Better World Fund pursues the fourth. To that end, the Better World Fund quickly took up the case for repayment of the U.S. arrears to the United Nations.

The Better World Fund adopted a strategy composed of seven primary elements in its campaign to bring about repayment of the U.S. debt. These components were: advertising, media outreach, direct lobbying of legislators, local "grasstops" lobbying,<sup>1295</sup> polling, strategic partnerships, and collaboration with the executive branch. The general theory of change was that these efforts would complement one another to increase local attention to the U.S.'s financial delinquency and thereby encourage Congress to act.

*Outcomes.* The year 1999 was the most significant year of the campaign. In this, its first full year of operation, the BWF spent about \$790,000 on lobbying expenditures. The Fund is a 501(c)(3) organization, but these expenditures fell within the amounts allowed under tax law. Faced with the threat of having its General Assembly seat revoked, the U.S. Congress approved the Helms-Biden Act, which set out conditions under which the U.S. would repay its debts in a series of three payments. Again, in 2000, the timing of the debate may have been politically fortuitous for the Better World Fund. The Clinton White House, in its final months, was eager to see this dispute resolved.<sup>1296</sup> Throughout 2000, the United States Ambassador to the U.N., Richard Holbrooke, worked with the BWF and spent much of his time "bullying and cajoling other countries' representatives into reducing Washington's [U.N. dues] and, in many cases, increasing their own."<sup>1297</sup> In November 2000, at a board meeting of the U.N. Foundation and the Better World Fund, came the breakthrough alluded to above. At that meeting, Ambassador Holbrooke explained to the board that most of the U.N. member states had already budgeted for 2001. Therefore, they were unwilling retroactively to increase their own shares of the U.N. budget. However, Helms-Biden declared that unless the U.S. share of regular U.N. dues had dropped to 22 percent by the end of 2001, the second, and largest, payment—\$582 million—would not be authorized by Congress. Turner recognized an opportunity. He told Holbrooke that, if doing so would help him negotiate, he, Turner, would make up the difference between 22 and 25 percent of the U.N. regular budget, approximately \$31 million.<sup>1298</sup> This grant of opportunity would also allow the U.S. to stay on the schedule set by Helms-Biden, and it would allow other U.N. member states another year in which to appropriate their newly increased shares of the United Nations budget. With Turner's offer, Holbrooke was able to convince the U.N. General Assembly to enact a new formula for the calculation of assessed contributions, one that would lower the U.S. share of the U.N. budget to levels acceptable under the Helms-Biden legislation.<sup>1299</sup> In February 2001, Congress released the second portion of the U.S.'s back dues. But that was not the end of the saga; a host of political challenges continued to threaten Helms-Biden's fulfillment. Finally, however, years of advocacy, education, negotiation, and lobbying by the Better World Campaign and others paid off. In September 2002, Congress authorized, and President Bush released, the third and final tranche, fulfilling the promise of the Helms-Biden agreement to pay off the full \$926 million owed by the United States to the United Nations.

*Impact.* One limitation of the strategy employed is that direct causation is difficult to establish, but this is not a problem for officials at the Better World Fund. According to Susan Myers, "[w]e have never tried to take credit for [the] issue . . . I believe we filled [a] specific void, but there were many organizations and individuals (both within and outside of government) that deserve credit for this."<sup>1300</sup> We know that opportunities to resolve this issue had been missed in the past. It may well be that without the climate of broad support, fostered, in part, by the Better World Fund, such opportunities would have been missed again. The deadlock of late 2000 appears to have been especially intractable. External factors played an unexpected role, but that will always be the case in large-scale long-run efforts of such enormous complexity. This does not absolve concerned citizens of the responsibility to strive for progress. Certainly, when the issue at hand is the relationship of the

world's only superpower to the world's primary supranational institution, humankind cannot rely on luck alone.

## Notes

1292. The original aim of withholding U.N. dues was to force budgetary reforms upon the world body. However, in subsequent years, a range of issues arose to impede progress toward full repayment of the U.S. debt.

1293. Available from <http://www.unausa.org>.

1294. Barbara Crossette, "U.N. Gives its First Grants from Big Ted Turner Gift," *New York Times*, 5/20/1998.

1295. This term refers to a strategy undertaken instead of a more traditional, numbers-oriented, "grassroots" approach. The Better World campaign recognized that, given the limited resources it could use, maximum impact would be achieved by building a groundswell of support among community leaders and prominent local organizations. These local bodies, in turn, could get the word out to the general public in their districts. To this end, the Better World campaign educated and lobbied prominent citizens within local communities. These included people with connections to the congressional representatives from their district, such as significant political donors and fundraisers, as well as local business owners who had a history of collaboration with their congressman or woman, or who simply had a significant voice in the community.

1296. It is likely that President Clinton saw, in arrears negotiations, an effort to shore up his legacy as an internationalist leader, and, to set a tone of international engagement for the incoming administration. For instance, Clinton also decided, in the last days of his presidency, to sign the controversial Rome Treaty, which created the International Criminal Court.

1297. Colum Lynch, "Turner Offers \$35 Million to Help U.S. Pay U.N. Dues," *Washington Post*, 12/22/2002.

1298. As described above, the U.N. is prohibited from accepting a direct payment from Turner, or any other would-be donor. However, at the 11/00 BWF board meeting, Turner offered to pay his \$31 million directly to the U.S. government, which would, in turn, pay that amount to the United Nations.

1299. For decades, contributions to the U.N. had been assessed on the basis of a country's average GDP over the past six years. Under the new agreement, contributions are determined by GDP averaged over only 4.5 years. This change had the effect of increasing the contribution of nations, such as Brazil, Singapore, and India, which have rapidly developing economies. And it has, consequently, lowered the relative contributions of more established economies, particularly the United States.

1300. Susan Myers, e-mail to Scott Kohler, 4/23/2004.