

## STATEMENT

# **The evolving relationship between NGOs and the UN: ECOSOC should change the consultative arrangements from “Greater Intervention” into “Sustainable Partnership**

Citizens' Coalition for Economic Justice\*  
Republic of Korea

June 22, 2018

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\* *We*, as the Korea's first fully-fledged NGO, have performed a citizens' movement for Economic Justice, Political & Legal Justice, Korean Reunification, International Peace & Security, Consumer Rights & Protection, Urban Reform and Housing Stability, struggling against the history of property speculation since 1989; If you need more information:

■ Please, visit us: <http://ccej.or.kr/eng/who-we-are/about-us/>;

■ *Our Achievements (RLA, 2003)*: <http://www.rightlivelihoodaward.org/laureates/citizens-coalition-for-economic-justice-ccej/>

This statement was edited by Hochul Jung, ([hcjung@ccej.or.kr](mailto:hcjung@ccej.or.kr)) in order to guide ECOSOC's theme of 2018, [“Consultations of the Committee with NGOs in consultative status with ECOSOC regarding the evolving relationship between the NGOs and the United Nations.”](#)

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## Summary

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It was the poverty industry. This is a challenge against the poverty industry.

This statement is a proposal to amend ECOSOC's resolution 1996/31 on the Consultative relationship between UN and NGOs. Our statement has the purpose of reforming the poverty industry and improving their relationship by changing from "Greater Involvement" into "Sustainable Partnership" for NGOs in the consultative agreements with ECOSOC. With this purpose in mind, we replied to the four questions: 1) ECOSOC's modalities for NGO's contribution to the policy-making of UN's bodies, 2) ECOSOC's support in the accrediting process of NGO's consultative status, 3) In LCDs NGO's economic reforms and its participation in UN's works, and 4) NGO's approaches to UN's processes. In response, as recalling its resolution [E/1996/96](#), we suggested to revise the related agreements, stated in: paragraphs 5, 7, 12, 13, 17, 18, 20, 31 as well as 37(d)(e)(f), 44, 46(d), 50, 57(a) and 61(c). This is because it is in dire need of expanding NGO's role and responsibility as a partner of UN in order to be entitled to the same rights as Member States at ECOSOC itself in agreement with the mutual partnership of paragraphs 65 and 69, stated in the resolution; thereby, ECOSOC can achieve the evolving the consultative relationship.

In summary, we could **NOT** find, in this resolution, any implication for mutual partnership, a consultative relationship with NGOs and the UN that has emphasized SDGs with coherence; hence, we call on ECOSOC to expunge the term "involvement" from its resolution and to state our pledge: "sustainable partnership." Last but not least, we would rather say to you "have to declare a war against the poverty industry," than have to find the most efficient modalities for UN's involvement or NGO's participation in the poverty industry.

*We wish you all best and success in the discussions.*

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## Acronym

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CSOs: Civil Society Organizations

ECOSOC: United Nations Economic and Social Council

EU: European Union

HIPCs: Heavily Indebted Poor Countries

LDCs: Least Developed Countries

NGOs: Non-Governmental Organizations

NPOs: Nonprofit Organizations

SDGs: Sustainable Development Goals

PPPs: Public-Private Partnerships

UN: United Nations

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## Introduction

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*(sic) "Exitus acta probat [The outcome justifies the deed]."*

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It gives rise to the poverty industry. After the mid-twentieth century, when most colonies had become independent, Western countries intervened in the crisis of colonial poverty, a paradigm shift into development that realigned their relations between advanced and underdeveloped countries; and that has become a typical feature of today's development assistance. Especially after the end of cold war, while such a paradigm has accelerated the foreign aid regime with the globalization of markets, then the involvement in poverty is more and more growing trend towards the globalization of poverty industry. And now this involvement, beyond national level, is targeted at the partnership between multinational enterprises, international organizations, NGOs, NPOs, religions towards the global stage.

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## Ramifications

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Yes, in the past half-century, this evolving relationship seems to take a major step forward in the global partnership with CSOs and to raise UN's modalities efficiency (*e.g.*, like the Nuremberg Funnel [Nürnberger Trichter])<sup>1</sup> since PPPs have more and more increased in both diversity and scale of CSO's involvement. Rather than government's intervention that centers on its top-down developments.

No but it still remains big questions about their relations, such as grant oppression (*e.g.*, Dambisa Moyo's *Dead Aid*—"It's not working but making it worse") in the top-down development, because the grant-in-aid on the basis of big push model has reproduced dependency relationships with not only

<sup>1</sup> The CCEJ, a Korean NGO, be based on a principle of PUBLIC GOOD and NONPROFIT and NONPARTISAN.

recipient countries but also NGOs. Is it possible to evolve their relationship for sustainable development, development on the basis of donor's great intervention is still centered—isn't it? This is true especially in LDCs and HIPC's wherein donor's major intervention for development finance—whereby the poor people, whose helplessness and burden are naturally funneled into financial dependency, have no choice but to receive its funding nevertheless without the ability to repay, so the poor cannot escape from the poverty trap<sup>2</sup>: Whereas the same is true with NGOs wherein participation in the poverty industry.

It reproduces, again and again, financial dependency with the aftermath of the poverty industry.

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## Confession

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The smaller organization is needy, the more subsidies are needed. This is an ideology. As more and more enlarging UN's involvement in poverty, it has become an essential duty in the global partnership as a part of NGO's work: its work become complicated-networking-administrative procedures in international exchange, resulting in more and more enlarging the structure of poverty industry. In this context, we recognize a serious problem of the ideological pattern; that is, the poverty industry has maintained NGO worker's living standards as if his intervention in poverty itself has existed to support his empowerment. Rather than church's diakonia of alms, or government's relief of the poor.

Those at the beginning were determined to bear the cost of alms in order to deserve sanctuary or relief by the authorities; those are now decided to bear their cost of subsidy-in-aid-project in order to supervise NGOs—thereby funneling NGOs into financial dependency; those are revealed as such the contradiction of world in the poverty industry (*i.e.*, topsy-turvydom)<sup>3</sup>; those, therefore, become his job and career that maintain NGO's loyalty to their poverty industry with fixation. The smaller organizations cannot help being awarded the more subsidies from their government.

We would rather say “Let's kick ass! Against the aid trap and the poverty industry,” than find some modalities of involvement or participation in the poverty industry for their modalities efficiency. The reason for this is as follows.

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## Loopholes

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It ails various stakeholders—through the most efficient modality of subsidiarity, but the excessive fragmentation of financial aid—it raises the systemic risks of poverty industry. This alludes to a confession of the fact that though the donor had intensively funneled \$2.3 trillion dollars into the poverty industry for the last half-century, those are secretly gone with the wind—Blow, how it's blown?—Together with aid fragmentation<sup>†</sup>, or the political corruption that is quite contrary to EU's expectations of the principle of subsidiarity.<sup>4</sup> (*i.e.*, organized-financial-development crime, embezzlement, bribery, or blackmail in corrupt practice, *et al.*) In the poverty industry, ECOSOC's role of checks and balances will be invaluable in fighting their misconducts, especially when we try to grow the aid pie with the more PPPs involvement in multi-sector.

“Development activities are very often accompanied by different forms of corruption, which cause the loss of billions of euros being channeled into private pockets instead of countries in need.”<sup>5</sup> (Dargo Kos, Chair of the OECD Working Group on Bribery in International Business Transactions)

Despite this criticism of the mechanism, their criticism rather targets at the poor whose idleness is funneled into aid dependency, than on the needy whose avarice is funneled into financial dependency—without listening to our confession of indiscreet intervention, participation, cooperation in the poverty industry. For example, there is today's controversy, namely “macro-micro paradox” (or, “Samaritan's Dilemma”)<sup>6</sup> over the cross-sector partnerships. Of course, they focus on the basis of microethics<sup>7</sup> that seem direct and efficient to approach the world's poorest and most vulnerable people for training and building her capacities, not only socioeconomic but also and political—achieving her road-to-Damascus conversion towards democracy, equality and empowerment. These fundamental changes,

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<sup>†</sup> As a result of analyzing the transaction costs of domestic ODA agencies, the average cost of administrative expenses, such as fixed costs, per a unit had increased by 165% in 2016, which is compared to the same number, as fifty unites, of the ODA agencies in 2014. There is a high possibility: the higher are transaction cost, the more fragmented are ODA projects—*vice versa*. In PPPs the multi-sector projects more and more expand, the aid segmentation more and more proceeds.

however, mean oppressive discipline or overprotective intervention in their cultural empowerment, as though they control child's behavior. In the long run, their parental aid (e.g., Korea's Saemaul Undong ODA project model) is a micro dilemma; it should be limited to indirect approach to address poverty.<sup>8</sup>

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## Conclusion

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Before other discussions, we recognize that it is necessary to raise the structural problem that has led to indiscriminately expanding the poverty industry, a more fundamental problem of which the global governance structures, both political and economic, are consolidated for greater efficiency under the UN's system; that is, the consultative agreement, ECOSOC's resolution 1996/31, had been distorted and remained by its Member States in the past half-century.<sup>9</sup> In this point of view, the poverty industry shows another problem of structural inequality in governance under UN's system, *inter alia* and the *de facto* devolving consultative status from NGOs to Government, or Commercial organizations.<sup>10</sup> Now then it is in dire need of expanding NGO's role and responsibility as a partner of UN in order to be entitled to the same rights as Member States at ECOSOC itself in agreement with the mutual partnership of paragraphs 65 and 69, stated in the resolution; thereby, ECOSOC can achieve the evolving the consultative relationship.

In this resolution, we can **NOT** find any implication for mutual partnership, a consultative relationship with NGOs and the UN that has emphasized SDGs with coherence; hence, we call on ECOSOC to expunge the term "involvement" from its resolution and to state our pledge: "sustainable partnership." Last but not least, we would rather say to you "have to declare a war against the poverty industry," than have to find the most efficient modalities for UN's involvement or NGO's participation in the poverty industry.

**We suggest to amend the related agreements, as the following recommendation (#Appendix):**

<sup>8</sup> The CCEJ, a Korean NGO, be based on a principle of PUBLIC GOOD and NONPROFIT and NONPARTISAN.

## #APPENDIX

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### Recommendation

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Please, refer ECOSOC's resolution [E/1996/96](#).

*[Note]: "a." is the original texts, "b." is revised texts.*

#### Paragraph 5

5a. Consultative relationship may be established with international, regional, subregional and national organizations, in conformity with the Charter and the principles and criteria established under the present resolution. The Committee, in considering applications for consultative status, should ensure, to the extent possible, participation of non-governmental organizations from all regions, and particularly from developing countries, in order to help to achieve a just, balanced, effective and genuine involvement of non-governmental organizations from all regions and areas of the world. The committee shall also pay particular attention to non-governmental organizations that have special expertise or experience upon which the Council may wish to draw.

5b. Consultative relationship may be established ... under the present resolution. The Committee, in considering applications for consultative status, should ensure, to the extent possible, participation of non-governmental organizations (NGOs) from all regions, and particularly from developing countries, **[in order to build and achieve a mutual and sustainable partnership with NGOs from all regions and areas of the world and with common prosperity]**. The committee shall also ...

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## Paragraph 7

7a. Greater involvement of non-governmental organizations from countries with economies in transition should be encouraged.

7b. **[Greater support or partnership with the NGOs from with economies in inclusive growth, resilient system, or in particular, challenging against structural inequality]** should be encouraged.

## Paragraph 12

12a. The organization shall have a representative structure and possess appropriate mechanisms of accountability to its members, who shall exercise effective control over its policies and actions through the exercise of voting rights or other appropriate democratic and transparent decision-making processes. Any such organization that is not established by a governmental entity or intergovernmental agreement shall be considered a non-governmental organization for the purpose of these arrangements, including organizations that accept members designated by governmental authorities, provided that such membership does not interfere with the free expression of views of the organization.

12b. The organization shall a representative structure ... and transparent decision-making process. Any such organization that is not established by a governmental entity or intergovernmental agreement shall be considered a non-governmental organization for the purpose of these arrangements, including organizations that accept members designated by governmental authorities, **[provided that such membership does not interfere with the free expression of views of the NGOs; that is, the conflict of interest by a governmental entity or intergovernmental involvement (e.g., big push) is not allowed]**.

### Paragraph 13

13a. The basic resources of the organization shall be derived in the main from contributions of the national affiliates or other components or from individual members. Where voluntary contributions have received, their amounts and donors shall be faithfully revealed to the Committee on Non-Governmental Organizations. Where, however, the above criterion is not fulfilled and an organization is financed from other sources, it must explain to the satisfaction of the Committee its reasons for not meeting the requirements laid down in this paragraph. Any financial contribution or other support, direct or indirect from a Governments to the organization shall be openly declared to the Committee through the Secretary-General and fully recorded in the financial and other records of the organization and shall be devoted to purposes in accordance with the aims of the United Nations.

13b. The basic resources of the organization ... must explain to the satisfaction of the Committee its reasons for not meeting the requirements laid down in this paragraph. **[Any financial contribution of other support—direct or indirect—from a Government to the NGOs, such as subsidy, or paid by the government for its projects or services, shall be openly declared to the Committee through the Secretary-General]** and ...

### Paragraph 17

17a. In recognizing the evolving relationship between the United Nations and non-governmental organizations, the Economic and Social Council, in consultation with the Committee on Non-Governmental Organizations, will consider reviewing the consultative arrangements as and when necessary to facilitate, in the most effective manner possible, the contributions of non-governmental organizations to the work of the United Nations.

17b. In recognizing the evolving relationship ... , the Economic and Social Council ... will consider reviewing the consultative arrangements as and when necessary to facilitate, **[in the most mutual and sustainable manner possible in agreement with paragraph 65]**, the contributions of non-governmental organizations to the work of the United Nations.

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## Paragraph 18

18a. A clear distinction is drawn in the Charter of the United Nations between participation without vote in the deliberations of the Council and the arrangement for consultation. Under Articles 69 and 70, participation is provided for only in the case of States not members of the Council, and of the specialized agencies, Article 71, applying to non-governmental consultation. This distinction, deliberately made in the Charter, is fundamental and the arrangements for consultation should not be such as to accord to non-governmental organizations the same rights of participation as are accorded to States not members of the Council and to the specialized agencies brought into relationship with the United Nations.

18b. A clear distinction is drawn ... Under Articles 69 and 70, participation is provided for only in the case of States not members of the Council, and of the specialized agencies, Article 71, applying to non-governmental consultation. **[This distinction under Articles 69 as well as 70 is fundamental principles. But exceptionally, the arrangements for consultations under Article 71 could be nevertheless regarded to be entitled to the same rights of participation and submission and remarks and with votes, provided that such members from countries themselves—giving up or reserving these rights and with abstention—are inconsistent with their membership of the Council, with their relationship to the specialized agencies and with their partnership with the UN].**

## Paragraph 20

20a. Decision on arrangements for consultation should be guided by the principle that consultative arrangements are to be made, on the one hand, for the purpose of enabling the Council or one of its bodies to secure expert information or advice from organizations having special competence in the subjects for which consultative arrangements are made, and, on the other hand, to enable international, regional, subregional and national organizations that represent important elements of public opinion to express their view. Therefore, the arrangements for consultation made with each organization should relate to the subjects for which that organization has a special competence or in which it has a special interest. The organizations given consultative status should be limited to those whose activities in fields set out in paragraph 1 above qualify them to make a significant contribution to the work of the Council and should, in sum, as far as possible reflect in a balanced way the major viewpoint or interests in these fields in all areas and regions of the world.

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20b. Decision on arrangements for consultation should be guided by the principle ... that represent important elements of public opinion to express their view. Therefore, the arrangements for consultation made with each organization should relate to the subjects for which that organization has a special competence or in which it has a special interest. **[NGOs given consultative status are not limited to those whose activities within ECOSOC in the field despite paragraph 1, but extended to those whose activities make a significant contribution to comprehensive works in the other related fields under the UN system, and are able as far as possible not only to participate in various fields with a mutual and sustainable manner in agreement with paragraph 65 but also to reflect the major viewpoints or interests with policy-making in all areas and regions of the world and with common prosperity].**

#### **Paragraph 31 (d) (e) (f) as well as 37 (d) (e) (f)**

(d) of 31a. and 37a. A written statement submitted by an organization in general consultative status will be circulated in full if it does not exceed 2,000 words. Where a statement is in excess of 2,000 words, the organization shall submit a summary which will be circulated or shall supply sufficient copies of the full text in the working languages for distribution. A statement will also be circulated in full, however, upon a specific request of the Council or its committee on Non-Governmental Organizations (or, a specific request of the commission or other subsidiary organs).

(d) and (e) and (f) of 31b. and 37b. A written statement submitted by an organization in general **[as well as special and roster]** consultative status will be circulated in full if it does not exceed **[2,000 words]**. Where a statement is in excess of **[2,000 words]**, the organization shall submit a summary ...

#### **Paragraph 44 (d)**

(d) of 44a. Copies of the annual or other reports of the organization with financial statements and a list of financial source and contributions, including governmental contribution.

(d) of 44b. Copies of the annual or other reports of the organization with financial statements and a list of financial source and contributions, **[including paid by governments for projects or services, governmental contributions, subsidy, or exceptional profits, at all]**.

#### **Paragraph 46**

46a. The secretariat of the conference shall publish and disseminate to Member States on a periodic basis the updated list of applications received. Member States may submit comments on any of the applications on the list fourteen days from receipt of the above-mentioned list by Member States. The comments of Member States shall be communicated to the non-governmental organizations concerned, which shall have the opportunity to respond.

46b. The secretariat of the conference shall publish and disseminate to Member States on a periodic basis the updated list of applications received. **[Member States' comments shall be transparently communicated without biases to the NGOs concerned by those whose activities, which shall have the fair opportunity to respond, can contribute to policy-making in a timely manner and in accordance with not only policy coherence of the ECOSOC but frameworks of the UN]**.

## Paragraph 50

50a. In recognition of the intergovernmental nature of the conference and its preparatory process, active participation of non-governmental organization therein, while welcome, does not entail a negotiating role.

50b. In recognition of the intergovernmental nature of the conference and its preparatory process, active participation of non-governmental organization therein, while welcome, **[while welcoming their policy-making role for negotiations, but shall not be subject solely to their negotiation itself]**.

## Paragraph 57 (a)

(a) of 57a. If an organization, either directly or through its affiliates or representatives acting on its behalf, clearly abuses its status by engaging in a pattern of acts contrary to the purposes and principles of the Charter of the United Nations including unsubstantiated or politically motivated acts against States members of the United nations incompatible with those purposes and principles.

(a) of 57b. If an organization, either directly or through its affiliates or representatives acting on its behalf, clearly abuses its status by engaging in a pattern of acts contrary to the purposes and principles of the Charter of the United Nations **[including personally profitable activities, or commercially motivated activities that are subordinated to specific companies, or political attacks against States members of the UN]** incompatible with those purposes and principles.

### **Paragraph 61 (c)**

(c) of 61a. Organizations in general consultative status and special consultative status shall submit to the Committee through the Secretary-General every fourth year a brief report of their activities, specifically as regards the support they have given to the work of the United Nations. Based on findings of the Committee's examination of the report and other relevant information, the Committee may recommend to the Council any reclassification in status of the organizations concerned as it deems appropriate. However, under exceptional circumstances, the Committee may ask for such a report from an individual organization in general consultative status or special consultative status or on the Roster between the regular reporting dates.

(c) of 61b. Organizations in general consultative status and special consultative status shall submit to the Committee through the Secretary-General **[every second year a brief report, including a few photographs or videos or substantive materials, of their activities]**, specifically as regards the support ...

## ■ END NOTE

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<sup>1</sup> Franz Kaiser, *Der Nürnberger Trichter*. Illustrated by Emeli Werzinger. (Nuremberg: Sebaldus-Verlag, 1946) 12page, IDN: 354205862.

<sup>2</sup> William R. Easterly, *The White Man's Burden: Why the West's Efforts to Aid the Rest have Done So Much Ill and So Little Good*, (New York: Penguin, 2006) 232page: “The borrowers have little incentive to repay when they see the debts periodically forgiven (what economists call “moral hazard”).

<sup>3</sup> Gilbert, W.S., performance, *The Bab Ballads*, with which are included Songs of a Savoyard, MacMillan, London (1908)

<sup>4</sup> EU on Parliament, *The Principle of Subsidiarity*, written by Roberta Panizza, Fact Sheet on the European Union (May 2018): [http://www.europarl.europa.eu/ftu/pdf/en/FTU\\_1.2.2.pdf](http://www.europarl.europa.eu/ftu/pdf/en/FTU_1.2.2.pdf)

<sup>5</sup> Drago Kos, article, “New OECD guidance aims to reduce corruption in aid sector,” OECD Development Assistance Committee, September 12, 2016: <http://www.oecd.org/corruption/new-oecd-guidance-aims-to-reduce-corruption-in-aid-sector.htm>

<sup>6</sup> Hilde Selbervik, *Aid and conditionality—The role of the bilateral donor: A case study of Norwegian-Tanzanian aid relationship*, submitted by the Norwegian Ministry of Foreign Affairs, OECD (July 1999) Pp. 32-34: “But in Tanzania—as indicated previously—there seems to be a discrepancy between poor results at a micro level and reasonably good macro-economic results in recent years: the reverse situation of the micro–macro paradox. It may be justified, therefore, to ask whether aid to Tanzania has contributed to a reversal of the micro–macro paradox—at least in a short-term perspective? Perhaps it is attributable precisely to the donors’ “conditionality regime” and a somewhat narrow focus on macro-economic benchmarks? If such a hypothesis can be substantiated, it is likely that it will aggravate the “Samaritan’s dilemma”. It will be even harder to go for tough options at the micro level, where people are visibly suffering, even if they might be better off in a longer time perspective. This will reinforce the Samaritan’s dominant disbursement strategy, and a potential conditionality policy will crumble.”

<sup>7</sup> e.g., Emerging technologies present both macroethical and microethical challenges. A microethical decision related to nanotechnology would be that a researcher ensures that all experiments be conducted with integrity and results reported honestly and completely. A macroethical decision would be whether certain types of nanotechnologies be avoided until there is sufficient information regarding their risks. An extreme example of macroethical failure is the grey goo scenario. (Wiki: <https://en.wikipedia.org/wiki/Macroethics>)

“Anonymous, “Fish 101: Developing-World Fisheries—Feeding the hungry,” Future of Fish: “The challenges of developing-nation fisheries look very different from those of their commercially developed brethren. They



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are pulled into a maelstrom of multiple forces: Local “fishers” who use cyanide and dynamite to kill and catch fish wreak enormous damage on reefs and coastlines.” (\*it’s the best example!)

<sup>8</sup> Metawee Hirunkam, *Integrated approach for rural community development : the case study of Saemaul Undong during 1970-1979*, Chulaongkrn University, (2012) Abstract:  
<http://cuir.car.chula.ac.th/handle/123456789/44790>

<sup>9</sup> Peter Willetts, *From “Consultative Arrangements” to “Partnership” : The Changing Status of NGOs in Diplomacy at the UN,*” *Global Governance* Vol. 6, No.2, (April-June, 2000) Pp. 191-212:  
<https://www.jstor.org/stable/27800259>

<sup>10</sup> Tomas Princen, Matthias Finger, and Jack Manno, *Nongovernmental Organizations in World Environmental Politics*, *International Environmental Affairs* Vol 7, No. 1, (January 1995):  
[https://www.researchgate.net/publication/41804203\\_Nongovernmental\\_Organization\\_in\\_World\\_Environmental\\_Politics](https://www.researchgate.net/publication/41804203_Nongovernmental_Organization_in_World_Environmental_Politics)