

Preface

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I always count it a blessing that my professional life has been so frequently associated with change. From my youth I have had the opportunity to participate in the implementation not of mere marginal changes but of major economic turnarounds.

The first occasion was in Argentina, at the beginning of the 1990s, when the country was struggling to end a 40-year process of inflation—which at that moment had reached its peak and become hyperinflation—by introducing a new economic policy based on market-oriented reforms. As National Director, Undersecretary and Secretary of State responsible for the portfolios of foreign trade, industry and mining, I had the opportunity to help shape the process of change of Argentina's economic fundamentals.

The second occasion was in the mid-1990s, when I was in Washington D.C. selling the initial success of the Argentine reform process as Economic and Trade Representative. I was then encouraged to run for the position of Director-General of UNIDO, the UN agency specialized in the field of industry, which was struggling to reform itself. After winning a difficult international election in 1997 I took over the task at the beginning of 1998.

By January 2001 the reform process of UNIDO had won worldwide recognition, with the accession of new member States to the organization, complete stability in the areas of personnel and finance, and a growing number of countries contributing to its technical cooperation activities. Furthermore, the Secretary-General invited me to Chair the High-level Committee on Programmes of the United Nations System (Administrative Committee on Coordination, ACC).

That is why I am generally identified or introduced as a “reformer”. I have accepted that label gladly since it is being used in a positive sense. Obviously to be a reformer in an era of change can be seen as a positive thing.

However the label carries a risk: to be seen as considering change or reform good in itself. I certainly disagree with that notion, and that is why I have always considered it essential to analyse and evaluate the process of change and its direction. Maybe that is why my first book was about the economic reform process in Argentina in the areas of industry and trade. And it is certainly why I feel compelled to share some reflections about the UN reform process and the particular case of UNIDO, to help understand how to do more or better to improve the opportunities provided by the multilateral system.

Change, reform or transformations are not good in themselves. They can only be judged from the perspective of their purpose.

To improve the economic management of a country or the managerial performance of a multilateral organization is certainly a good thing. But in my view, what makes the effort relevant is the potential outcome of these improvements in terms, for example, of the reduction of poverty and the restoration of the capabilities denied to people by poor economic performance, or of other development goals such as the promotion of human rights and the maintenance of peace.

Otherwise we can fall into a common trap of our times: to believe that good macro-economic indicators are the final aim of a given economic reform process, or that enhanced managerial performance will suffice to improve the impact and relevance of an agency.

To avoid this trap we have to place at the centre of our efforts the will and the needs of the stakeholders, the ultimate recipients of the fruits of reform.

As we intend to discuss in the first part of this book, reform is necessary to improve coordination and efficiency of the system but is also, and mainly, unavoidable if we are to respond adequately to the needs posed by the changes that have taken place in the world's political and economic scene.

In the second part we try to show how the case of UNIDO virtually forced member States to find and develop new mechanisms of interaction to ensure the direction they wanted to impress upon the reform process of the agency, re-defining its usefulness and relevance.

Another and more recent example is the negotiation and approval of the Millennium Declaration adopted at the United Nations Summit held in September 2000 in New York. In it, as Secretary-General Kofi Annan explains in his foreword to the recent publication of the Declaration,

“the world leaders have given clear directions for adapting this Organization to the new century. They are concerned, rightly, with the effectiveness of the United Nations. They want action and, above all, results.”

Improved economic and administrative management is necessary and could solve many problems, but to ensure that the process of change and its direction is right, the continuous feedback of the stakeholders is necessary.

Good managerial practices are important but have their limits. The direction and the purpose of any reform process should be evaluated and monitored in terms of the results that can be achieved on behalf of the stakeholders. And stakeholders are responsible for giving guidance and providing the necessary means that any reform process requires to succeed.

This concept may sound too business-oriented, but it is also applicable to multi-lateral institutions.

I always recall a dialogue at the end of the film “The Mission” where a bishop was talking with the Spanish commander while his troops were attacking a group of natives, both looking at the scene through a window. “Life is like this,” the commander said. “No, we make it like this,” answered the bishop.

For that reason I felt that it might be useful to share some of the lessons learnt in the process of reforming UNIDO; to explore the role and the limitations of good managerial practices and the need to gather a “group” of stakeholders very much committed to the reform process, not for the reform process itself, but to ensure its results.

This “group of reformers” should be formed with countries from different regions, with different levels of economic and institutional development. The more diversified the better. A diverse membership will ensure that the reform process will not attend the interest of the few but address the problems of a wide range of actors.

However, since the identity of the group will not rely on its homogeneity or that of the problems they are confronting, the unity of the reformers should arise from their common values and interest in fighting poverty and marginalization in a very effective and serious manner.

Only then we will have true, lasting and meaningful reform.