

EUROPEAN NEWS

Wider

The UN went for gold in Helsinki and came up with \$30m, plus bricks and mortar, Jurek Martin in Tokyo reports

Finns win battle to fund UN's world development institute

IT DOES not happen very often these days that countries, especially in the industrialised West, find themselves competing to give money away to a United Nations institution. Yet two nations, Finland and the Netherlands, have just reached the finishing line in a race to house a new institute of development economics.

The winner, as formally certified by the governing council of the United Nations University (UNU) in Tokyo yesterday, was Finland, with an offer equivalent to a little over \$30m in cash, plus bricks and mortar; and the way it was brought about is a fascinating case study of what Governments and those in search of funding can do if they put their minds to it.

The prize was the location of the World Institute for Development Economic Research (Wider). The spiritual midwife of Wider is Mr Soedjatmoko, the former Indon-

esian Cabinet member and ambassador to the U.S. who is currently rector of the UNU.

The UNU was established in Tokyo in 1976 thanks to an endowment of \$100m by the Japanese Government. It is essentially a research institute which directs and coordinates the work of a considerable number of scholars around the world.

Wider, which is to operate under UNU auspices, was set up at the London School of Economics in March, 1982. The meeting discussed a paper presented by Dr Paul Streeten, the British development economist formerly with the World Bank and currently a professor at Columbia University in New York. His thesis was that existing economic and social approaches (and, by implication, institutions) were not adequate to meet the policy challenges confronting the Third World.

At the beginning, both the Austrian and French Governments expressed interest in attracting Wider. Later they dropped out, leaving the field apparently clear for the Netherlands.

The Dutch would have been a welcome would-be host. No European country has a more honourable record of development systems: geographically, the country could hardly have been more convenient for those on the UN circuit: even Mr Soedjatmoko, who was a leader in the Indonesian war of independence retains considerable affection for the Dutch. Even membership of Nato, a handicap in some Third World eyes, did not appear crippling.

The Netherlands also had a powerful internal political advocate — Governor Sjeng Kremers of Limburg, whose capital, Maastricht, was advanced as the proposed site. In late August this year, a



Mr Kalevi Sorsa

UNU delegation went to Maastricht and was presented with the first formal Dutch offer; an endowment fund contribution of \$13m, half payable by the end of 1983, the rest

over 10 years, but with the total sum to include a permanent building valued at \$5m.

Meanwhile, however, quiet feelers had been put out in Helsinki, initially in May and then again in late August. The approach to the Finns was symptomatic of a need in straitened economic times, with the UN in its principal source of finance to the U.S. to take a much more commercial and inventive attitude towards fund-raising.

The August overture in Helsinki turned up gold. Within a month, as a result of the personal commitment of both Mr Kalevi Sorsa, the Prime Minister, and Mr Paavo Vayrynen, Foreign Minister, the Finns came up with a formal offer equivalent to about \$20m, with the total amount payable over five years, and with all physical facilities for the new institute thrown in.

The Dutch response was also swift. Governor Kremers was in

Tokyo in early October, continuing negotiations with the UNU: it is reported that he persuaded the Dutch Government to increase its offer by nearly \$7m to \$19.7m.

By this stage, the Finns had the bit between their teeth. They despatched a delegation to Tokyo a week after the Dutch left and suggested that the UNU should send a team to examine the charms of Helsinki, which was duly done.

In November Finland produced its new offer: a \$30m package, \$25m in endowment, payable over six years; plus the equivalent of \$5m in operational costs payable over three years, plus physical plant and equipment, including a house for Wider's director.

The difference of over \$10m, not to mention the bricks and mortar, was a little too large to be ignored; and the Finns had pulled off the coup of submitting not only the best but

also the latest offer.

So Wider will go to Helsinki. Its director will probably be from the Third World and its chairman from a developed country. It will have a financial foundation beyond the original dreams of its architect. Finland will have added to its stature as a leading non-aligned nation and according to Mr Arthur Collingsworth, the UNU's Senior Resource Development Officer, it will have made a contribution to global issues equivalent to former President Kekkonen's initiative in playing host in 1975 to the European Security Conference.

If there is unhappiness, it presumably can be found in the province of Limburg. But nobody disputes that the Dutch put up a good fight. Indeed, the talk in UNU circles now is whether the Dutch can be persuaded to play host to a parallel economic institute of similar standing.

