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TRANSCRIPT OF INTERVIEW OF

MIHALY SIMAI

BY

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Transcribed by Joseph Sramek

THOMAS G. WEISS: This is Tom Weiss. It's the 9th of July at the Simai residence on the hills overlooking Budapest. It's late in the afternoon. Well, good afternoon! Could you just tell me a bit about your family's background and what it was like actually to grow up in Hungary in the 1930s and 1940s? And, if possible, could you link this to your later interest in economics and in international cooperation?

MIHALY SIMAI: My family is quite a strange mixture. My father was a relatively well-to-do-farmer in the eastern part of Hungary. He was doing two things. First the regular farming and then he was also involved in the trade of cattle, sheep, and other animals. At that time, that part of Hungary was ruled by large estates, 10,000/15,000 hectares and so on. He had a much smaller farm, but he was buying the cattle and sheep from the large estates, improved their quality by proper feeding, and sold the stuff to the firms running the slaughterhouses in Budapest. My mother came from a different environment. She was an English teacher. She studied in England, and she was teaching English in one of the Hungarian private schools. The daughters from relatively wealthy families attended this school. Her father was very rich. She was the seventh child from his third wife. My parents divorced at a relatively early stage. I remained with my mother. When she was in England, she got acquainted with the British Labour Party and labor movement and she knew some of the great old people from this labor movement. She became, for a while, the correspondent of the newspaper of the Labour Party in Hungary, which was the *Daily Herald*. Through her, I, as a child, got really much interested in international issues, in international politics, and I got acquainted through her with a little bit of the British politics. She had to write small pieces to the *Daily Herald.* I learned English at a relatively early year of my life, just picking up

words. I could speak rather well when I was ten years old. So I could read already the *Daily Herald* at an early stage.

She also got involved with the Hungarian Social Democratic Party through her relationship with the British Labour Party. In those years, the Hungarian Social Democratic Party was in the parliament and probably the most left-wing group in the Hungarian parliament. I got acquainted with some of the political figures of the Social Democratic Party and in the other political parties in Hungary.

So I was pretty much following the world as a child. We were relatively poor compared to my family background because her parents were also wealthy, but she was interested more in intellectual type work. She was a kind of a "black sheep" in the family, with which she had no ties. So, then the war came, and at the time Hungary became involved on the side of the Axis powers. And her British contacts were not really the most helpful in Hungary. She maintained her relations with the Social Democratic Party when the German occupation came in March 1944. She was involved in some illegal organization activities in the Social Democratic movement. And in this framework on the 15th of November 1944, together with four other people who took part in a clandestine meeting of the Social Democratic Party, she was executed on the spot. I was in the next door in the apartment and everybody had to watch the execution including myself. So I remained alone and was helped by some families and particularly by a Roman Catholic group in Hungary which was called the Gray Missionaries. These were Hungarian Christian Socialist missionaries who were close to the Social Democrats. They had been working among the poorer people in Hungary. They helped me to survive, and at that time I was fourteen years old.

And then after the war I left Budapest and went to the place where my father was living and I lived with my father up to his death in early 1949. He was one of the first, I would say, victims of the changes in Hungary because of he was a relatively wealthy person. He was involved in a venture producing rice in Hungary, which required a lot of investment. It was confiscated by the new power, and then he had a heart attack and died. So to make a very long story short, I graduated in a village in the eastern part of Hungary where my father was living, in a high school of the Hungarian Reform Church and went to the University of Economics to study in Budapest. I was a relatively good student so I was easily admitted, and I also joined a movement of the so-called "People's Colleges." This "People's Colleges" movement was a kind of populist group in Hungary believing in the role of peasantry and the importance of the Hungarian farmers. The People's Colleges didn't only provide student hostels, but also there was a parallel education to the university where we were attending special courses on Hungarian history, art, and literature and international issues. I wrote a couple of papers in high school about the history of the Nazi and fascism movement, and also about the politics of the late or mid-1940s.

I started studying international trade in the university and graduated in 1952. I was invited to a new department that was formed at that time, the Department of International Politics and Economics, which was supposed to teach the students in both international economic and political issues. I had two assignments in this department. I became responsible for Britain, the United Kingdom, and the British Empire. In 1953, after spending one year in this department, it had been decided that we should teach something about the United Nations. And that was the first course ever organized or set

up in Hungary about the UN, and as a young assistant professor, I was asked to take care of the teaching about the UN in Hungary—which was not a member of the UN. I did not know anything, I must say, about the UN except the fact that the UN existed and Hungary was not admitted to the UN in spite of the fact that it was promised that with the peace treaties. Hungary and the other countries would be automatically admitted to the United Nations, but this did not happen. The official view was that it was an imperialist plot not to allow us into the United Nations, because the United Nations is dominated by the United States. That's it.

TGW: I wonder if we could backtrack just a moment to before what must have been a traumatic event for a fourteen-year-old, watching his mother being shot. It's still fifty-five years later, I think you must have some other memories. I was wondering how the Depression felt. You mentioned that you were away from your father when you lived with your mother. Do you have any recollections of the Depression, and did this experience in any way lead to your subsequent interest in economics?

MS: I don't think so. The Depression was much earlier. It was the war, which influenced our life. We lived rather quietly up to the German occupation in 1944. The Social Democratic Party was legal until that time. But then after the German occupation, the Allied planes started bombing Hungary, and we had to accept the idea that we could be killed at any time, either by the bombs or by the Nazis.

We had a small house in one of the outskirts of Budapest, and on the 14th of July our house was bombed by the American air force. The house was very near to a rail yard. There was a division of labor. During the night the British planes came and during the day the Americans. The Americans were supposed to bomb the rail yard, which was at

that time full of German military trains, and instead of bombing the rail yard, for one reason or another, they bombed a smaller residential area which was next to the rail yard. And they ruined all of the houses. It was called "carpet bombing," you know, when they systematically bomb everything. And the whole neighborhood was bombed, including our house, and there was a shelter in the school, which was the highest building, and we survived in the shelter. The school was also hit but not so badly as the houses around.

And then the Hungarian [Miklós] Horthy regime wanted to try to get out of the war. They failed to do it. And after the 15th of October, the Hungarian Arrow Cross, the Hungarian Nazis, got into power. And then it was a massacre. They started systematically executing people. The bombing also continued. So death itself was something that was not unusual. I was of course shocked and I did not know what to do. I was told by our neighbors that I should not even show any emotion when these things happen because I may also be following her. I had to stand there and not even cry, you see, so that was it. And they took care of me for one night, and then they said, "This is a dangerous place. We may be in danger, so it is better for you to go away." So I had to leave. At that time there were all kind of places which were empty, empty factories and so on, and I found an empty synagogue, and I opened the window by force and spent two or three nights in that synagogue, and during the day I was roaming around the street and I had some money so I could buy some food, and then I decided to go to the Gray Missionaries until January when the Soviet Army liberated the region where we lived.

TGW: In high school, do you recall having studied the League of Nations or any of the kinds of activities that were tried and failed in the nature of international cooperation in the 1920s, 1930s, and 1940s? Or when you first got to the university?

You mentioned that there was no treatment of the United Nations. Was there any backward looks at what had happened?

MS: We learned something about the League of Nations but not much. And the approach to the League of Nations in Hungary was very critical. It was the League of Nations that was also considered as an organization which carried on the implementation of the Trianon Peace Treaties. I remember the teacher of history ridiculed the League of Nations, that it was a bunch of people who wanted still to continue their domination over the world. So it was really nothing and there was nothing to remember. But as I said I was very interested in politics, and I was reading newspapers about the UN. And I got some interesting information about the United Nations through a journal, which somehow reached the high school where I was in the east, and this journal of the Reformed Church of Hungary—and there were some articles which I read, and in that school we had a chance to read this, it was I think a monthly or a quarterly—I don't remember—and there were articles about the United Nations, mainly the relations between the United Nations to the defeated countries.

TGW: The kinds of subjects that occupied you later, growing out of Bretton Woods or economic cooperation, were not on your radar screen?

MS: No, no, not at all. See I tell you, when I was told to teach a course about the UN, I asked, "where can I find information?" All the western literature, even the newspapers of the communist parties were not easy to reach. All western literature was considered "confidential documents." I was told by the head of the department, who was an old professor who came back from Austria, "look, here are the speeches of Comrade [Vyacheslav] Molotov, the minister of foreign affairs of the Soviet Union." There was

indeed a collection of the speeches of Molotov—I still keep a volume of his speeches somewhere. They were delivered between 1946 and maybe 1950, in and about the UN. And one could learn something out of it. And after a while the professor arranged that we could get documents from the UN. One of these documents was the first *Economic Survey of Europe*; the Economic Commission for Europe (ECE) published the first Economic Surveys. I got this economic survey. In the university administration, there was a person who was taking care of the confidential documents. I had to go in the morning, take let's say the *Economic Survey of Europe* to my office, I had to sign that I took this, and in the afternoon, not later than ten minutes before the working hours ended, I had to return it to the safe deposit of the university, and that was it. And that's how I got this information. And it really was not too easy to just to find out what the United Nations was doing. Finally I was able to bring together a sufficient amount of information about the United Nations and its role. It was impossible, for example, to get the Charter of the UN. It was impossible to get such documents such as the Universal Declaration of Human Rights, absolutely impossible. I think much, much later, when I became the president of the Hungarian United Nations Association, we were the first to publish this document in Hungarian, but it was already in the 1970s.

TGW: This may seem like a culturally insensitive question, but my own background in the university was to open one's mind. This seems like a terribly narrow path to choose. What kind of dangers were involved in trying to look at top-secret information? Or how did you inform yourself illegally? Was this possible?

MS: I didn't have the access to such "illegal" information in those years, but since I was working also on the United Kingdom and the United Nations, both "United,"

I had a great privilege. In 1952, not much after I joined the department, the university subscribed to the *Manchester Guardian*. This was even more "confidential" than the UN documents. I got it out of the safe where these documents were kept. Once I made one important mistake. One afternoon, ten minutes before five was the closing time, and I had forgotten to return the two or three issues of the *Manchester Guardian*. And it was too late when I realized the clerks had left. I locked them into my desk, and I called my professor to inform him, but I couldn't reach him. In about two hours, while I was already home, the telephone was ringing, and I was told that I should return immediately to the university because there are people there from the Ministry of the Interior. They were looking for me because I made some irregular things. And I of course knew immediately the reason and anticipating the question, I said: "Look, here's the key. I locked it, I didn't take it home with me." Then they also called the professor. Later, I was reprimanded because of this action.

So it was not really a possibility to find illegal sources of information if you had been working and were working in that university. Maybe if you were a writer or something, but in such an institution, it was impossible. Naturally, it was easier for a student to get this illegal information than for someone who was on the staff.

TGW: Why was that?

MS: Because the students were not controlled as much as the teaching staff.

TGW: Interesting. You mentioned that you couldn't get a copy of the Universal Declaration of Human Rights. I agree that this was a fairly revolutionary document, as it turns out even fifty-five years later. How was the Universal Declaration of Human Rights publicized in Hungary or widely in Eastern Europe? Was it seen not as a Bill of

Rights, but as, you used the words earlier, an "imperialist plot?" Everyone signed off on it, so how was it seen? Why was it seen as so upsetting?

MS: I'll tell you. The official view was that there were two approaches to human rights. One approach had been the approach of the socialist countries which considered economic and social rights as the fundamental rights of the people. The other was the western approach, the western countries emphasizing the so-called political and civil rights. The official view in the socialist countries was that these rights were formal only, and not real, because you don't have the economic and social rights, so therefore, it doesn't make any sense to emphasize the civil or political rights.

In the teaching about the United Nations, for example, I completely left out, in those years up to about 1956, the issues of human rights. Neither side. What I was focusing in teaching was the history of the UN, the relations of the UN to the League of Nations, the structure of the United Nations system—the role particularly of the Security Council, the General Assembly, the role of the Economic Commission for Europe, of which Hungary became much earlier a participant than in other bodies of the UN—and then I had access to the different documents of the Economic Commission for Europe, so I was teaching about the Coal Commission, the Steel Commission, the Commission on International Trade, and about the agreements on road transport and other technical things.

TGW: One of the most important events in historical terms was probably [Winston] Churchill's speech at Fulton, Missouri. How was this speech portrayed in the Hungarian press?

MS: It was portrayed not only in the Hungarian press but in general also in the education as something which started the Iron Curtain. So it was considered as an early formula for the so-called Truman Doctrine. We didn't even use or understand the idea of containment at that time, so it didn't come up as an issue of containment. It came up as an effort which wanted to separate the eastern and western parts of Europe, isolate one from the other, and it was leading directly to the Marshall Plan, in the exclusion of the western governments and all the versions which were officially emphasized and thought here also, with the Marshall Plan the Americans and the western powers really completed the separation and cutting of Europe. The Fulton speech was considered as the introductory in respect to this process.

In 1946, I didn't know anything about the Fulton speech. I got information about it when I attended the university. And in our courses in the university we learned about the Fulton speech as I mentioned.

TGW: But later when you were an assistant professor teaching courses, the Korean War breaks out and—

MS: I was still a student during the Korean War.

TGW: I see. And shortly thereafter, the McCarthy period in the United States. How do these fit into the mosaic of the East versus West? How are they viewed by the faculty, by the students, and by the government?

MS: I think it was presented as a persecution of communists in the United States, the McCarthy era and the whole McCarthyism. But [Harry] Truman was mentioned much more, compared to McCarthyism, in initiating the anti-communist and anti-Soviet

politics in the United States than McCarthyism. And we had our own witch-hunters, hunting against the other side. And there was a kind of resemblance between them.

TGW: A mirror image?

MS: A mirror image of McCarthyism and our witch-hunters. So I don't recall that I had any important impression or reaction to McCarthyism.

TGW: What was your own relationship then to the Communist Party in Hungary?

MS: I was a member of the Communist Party, I became a member of the Communist Party—

TGW: When?

MS: In the last year of my high school studies.

TGW: 1947?

MS: In 1947, in the village where I was living and about five or six of us who were in the class simultaneously became members. It was a teacher who persuaded us. I was a student of the high school of the Reformed Church. This teacher, a professor of Hungarian literature, came from Transylvania, from a very famous old Hungarian teaching institution. He was kicked out by the Romanians when the school closed. And he was probably a member of the Communist Party in Romania, during the pre-World War II period. He persuaded a few of us that we could promote human progress and the future of Hungary by joining the Communist Party. Hungary was really a backward country with lots of misery, and that part where I lived was one of the poorest regions of the country. Five or six of us joined simultaneously.

TGW: Was it essential to be a member to become a student or faculty member?

MS: Not for a student in 1948. To become a faculty member in 1952, I must say it was helping. But in my case, I think the fact that my English was good was more important. During that time in the university, there were not more than maybe two or three people who could read English, except of course the language department. I also started learning Russian. By the end of my four years in the university, I was also fluent in Russian. I learned it in an interesting way. Because of my family background, I didn't have any stipend. In order to survive, I had to find some sort of living. One of the professors, who was a leading figure in the Smallholders' Party, asked me: "Would you be interested in translating Russian books into Hungarian?" And I said: "Yes, but I don't speak Russian." "It doesn't matter, you can use a dictionary." So within six months, I was already quite good in Russian. You know at that time there was a great interest in Hungary about how things were in the Soviet Union—so I translated a couple of books, a textbook about hydro-biology, not knowing anything about hydro-biology and not knowing the language. But I managed. The professor, Josef Bognar, at that time was also a minister in the government, responsible for trade, and he involved some of us in research work for the ministry.

I learned the Russian language mainly through this translation work, and I learned a language that was related to different professions: engineering, sciences, economics. I have translated lots of books on economics and bookkeeping.

TGW: Your future student-colleague who put together this *festschrift* recently, Andras Blahò, mentioned that this period was a combination of skirting political problems and ready-made knowledge, which is the way he's put trying to get around the universities. But it was also one of the more exciting times in the university being a

student, being in the dormitories, and being a part of a group of people working. Do you recall what the atmosphere was like in the university when you first arrived in 1948-9?

MS: The atmosphere was mixed. Imagine who arrived to these universities from the countryside? It was the very beginning when the children of poorer families were able to get to universities. But it was also a time when the children of the wealthy families could still attend the university, because there was no, I would say, discrimination on the basis of your family background as yet. There were students who were part of the fascist army. I will never forget I had classmates who had been in the Waffen SS, in the German army. They of course didn't say it; it was discovered later on and they were kicked out from the university. Some of them could come back and graduate after 1956.

There were kids from those families that were expelled from Slovakia; the Slovaks kicked out lots of Hungarians. There were refugees from Romania or Yugoslavia. My class was really a kind of *mélange*, a great mixture of people with different backgrounds. In the People's Colleges, there was a slogan of a famous Hungarian populist writer, "It is not important where you are coming from. The important thing is where you are heading." The People's Colleges wanted to create a new group of professionals who would be more interested in the future path of the country, and they had to deal with a material, I mean people, who had quite different pasts. So the atmosphere was full of enthusiasm. We were very much interested in the changes which came in those years to Hungary. I would say that after the war, after going through all those thing which my generation had to go through, we were firmly believing that we should not really repeat any more of the history that we had to live through. And we

were hoping that there would be a kind of new Hungary which would have new possibilities. We were not really understanding too much what democracy was; we didn't know much about the real happenings in the Soviet Union, or about the outside world, but we knew about our past. So it was very much a generation open to all kinds of new ideas.

TGW: How did the atmosphere change between 1948 when you arrived and 1952 when you graduated, and the major event in 1956, the Hungarian uprising? What happened in that period?

MS: The first shock was the so-called Rajk Trial. Laslow Rajk was the minister of the interior and an old communist. He was executed as the key figure in the trial. And we knew him personally, because he visited us a couple of times. Then the anti-Tito moves came. And these were great shocks. But I must say we—the students—didn't express any doubts at that time that the accusations against Rajk were not true. We were told that they were "the agents of the Yugoslavs" and "the agents of the western intelligence services." We didn't even question the validity of the charges. Our professors in the universities who were distinguished people, Hungarian scholars, some of them old communists, were telling these stories to us. And we believed them. It was the beginning of the atmosphere of distrust and suspicion, due to the Cold War and the Soviet policies. It was also an atmosphere of fear, particularly for those, like me, who was a member of the party but with "bad" family background. The first time when we started expressing doubts about it was in 1951. This was also a consequence of the same professor who helped me with translation work. He explained to a couple of us that we have to look at the truth not only through the newspapers, the books, or the official

propaganda. He asked us: "You people, can you imagine that these people who you knew were so bad?" So this man was really telling us something which nobody else dared to do in those days.

TGW: So this began a period of questioning, in the months before the events of 1956? And immediately thereafter?

MS: It happened much earlier. There were many changes between 1951, 1952, my graduation, and 1956. In 1953, Stalin died. And then came Imre Nagy. Imre Nagy was also a professor at my university. He was the head of the Department of Agricultural Economics, which was next door to my department. My personal relations with Imre Nagy became quite good. We had the trade union of teachers, and three departments together had one trade union chapter. I was a "shop steward" in the chapter and my duty was to collect the membership fees. Through this collection I got acquainted and even friendly with Imre Nagy, who was also my professor earlier, but I didn't pay much attention to his lecturing because he was most of the time away and gave a few talks but was really busy in politics. And when he became the prime minister he still maintained his university post, and he came every month to the university and paid his membership fees to me for the trade union of teachers. We had sometime frank and interesting discussions about his frustrations as the prime minister. He was complaining that his reform efforts had been blocked by his colleagues.

When he was kicked out from the party, he was kicked out from every political and government institution except—they had forgotten to kick him out from the trade union of teachers. So he was keen that he should remain in that organization. I had long, detailed discussions with him in many cases. Between 1953 and 1955-1956, there were

ups and downs in Hungarian politics, and we, at least the majority of the staff in the university, knew and supported the reform policies of Imre Nagy. There were also opponents of his policies, mainly those who were teaching Marxism-Leninism, but there were also other opponents on a personal basis or ideologically motivated. I personally was hoping that Hungary would be able to implement important reforms, beyond teaching about the United Kingdom and the United Nations. I was asked to give at least one or two lectures about Yugoslavia, so I was asked to give one or two lectures about Yugoslavia. So I started studying the Yugoslav system, and I got all the information because after 1953-54 I was able to contact the Yugoslav embassy for information. I published the first detailed and frank analysis about the Yugoslav system in early 1956.

The political movements in 1956 started, as you are aware, with the movement of the writers against the efforts to restore the [Mátyás] Rákosi regime, I mean that regime which was responsible for the crimes and errors in Hungary. And in my personal life, I was going through quite an interesting change. I got married, and Vera's stepfather was an old communist, still in jail at the time of our marriage. He was a leading figure in the Hungarian Communist Party in the 1930s and became anti-Stalinist and anti-Soviet when the political trials started there. He was jailed by the Horthy regime for seven years. And he was jailed in 1948 by the communist regime and he got out of jail in 1956. He spent fifteen or sixteen years in jail, altogether maybe two years in Russian labor camps in between the two. So, through his past and present, I learned a lot about the Hungarian and global realities.

TGW: After Imre Nagy was thrown out and eventually executed, did this lead you to abandon any hope for reform? Or did you think this was just a temporary lapse?

MS: We didn't understand why they executed Nagy, and it really was a great shock. We were convinced even at that time that it was a major error, but we were also convinced that this crime was not initiated by Kádár, that it came to the initiative of the Soviets, and Kádár was resisting this effort. Later, we had been told that it was also coming from such people as Tito and even the Chinese who wanted the execution of him and his group. I think there was a great amount of truth in that. Probably the Hungarian leadership without external pressure wouldn't have done this. There are people who are denying this nowadays, and it is still not clear what is the truth. We also thought that probably with the Kádár regime, the Soviets would not really follow the same policies as before 1956. And we were hoping that there would be reforms also in the Soviet Union. And we had interesting visitors, mainly the reformist economists from China who visited my university, who were very much encouraging us to continue the reforms, to go ahead with what Hungary already started in 1954. So we were hoping that things would improve. I must also say that I was more interested in my professional work than in some of the political things after 1957. I had to finish my university doctoral dissertation. We had a system when the university was giving a kind of Ph.D., and I had to write the dissertation and do a lot of work, so I was not really involved in any active political life.

TGW: So unlike lots of other Hungarians, the thought didn't dawn on you that you should leave or immigrate at that time?

MS: That was an interesting issue. We were thinking about it. Here almost everyone was pondering to stay or to leave. There were probably two fundamental reasons why we didn't leave. One was the family, which was here. The other was Professor Bognar, who gave me the Russian translations and with whom I was working

after 1951. He was a former secretary-general of the Hungarian Smallholders' Party, and he was at that time teaching still in the university. He was also a member of the government of Imre Nagy in 1956. He told a couple of us who were working with him that: "if these people are leaving who could really work for the changes, then those people would rule again who are responsible for all the things which has happened."

But I think that first and foremost it was the family. My wife's family was here and she didn't want to leave.

TGW: So now you finished your dissertation, and after studying Europe you end up going to work for the Economic Commission for Europe in Geneva. How did you end up there?

MS: The head of the department came one day—it was at the end of 1958, I think—and told me that the head of the Department of International Organizations in the Ministry for Foreign Affairs asked him whether he knew somebody who could go for a short period of time, for one year, to Geneva to the Economic Commission for Europe and work in a kind of a special category, which is called "service-in-training." The person would work on special projects, at the same time we would be trained as a future staff member of the United Nations, but without obligations on either side. If I would go their, there would be no obligation of the UN that I should become a staff member, and I would not have the obligation either to stay there. So he asked me, "Since you had been working on the UN, and you are the only person in this university who knows anything about the UN, would you be interested? There are, however, problems and you have to be aware of those problems, because you cannot take your family with you." I had a daughter who was less than one year old at that time. We discussed this matter in the

family. The reason why they didn't allow family members was, according to the Hungarian version, because the salary was quite low, and according to the UN version it was the Hungarian government which didn't want to allow this. So after some hesitation, we decided that I should be going. The university agreed that for one year they were going to pay 50 percent of my salary to the family.

TGW: What was it like? Presumably Geneva had a slightly more open atmosphere than the university.

MS: The atmosphere at the university in 1956 was pretty much open.

TGW: It was open?

MS: Even after 1956 there was no return to the old days, even though during 1957 the atmosphere was not good, but things had changed somewhat 1958. It was of course a major change in Hungary from a country which was basically still a very much closed country as compared with Geneva or the UN or Switzerland.

TGW: What do you remember most about that first year in Geneva?

MS: You know, the first thing that I remember was really the procedures through which one had to go here in Hungary to get to Geneva. There were lots of interviews in the Ministry for Foreign Affairs. There were also two UN staff members who came to interview me, and it was a long—maybe four hours—talk with them. One was Russian, the other was a Belgian. The Russian was coming from the Economic Commission for Europe, the Belgian was from personnel. So we had a long, long, long talk on everything. And after these interviews with them, I was interviewed by the Ministry for Foreign Affairs at least two or three times, always by different people. The head of the department was easiest, the Personnel Department of the Ministry, then the-so-called

Administrative Department of the Ministry, which was dealing with security clearance issues, because in order to get to the UN you had to have a security clearance, were more difficult.

In Geneva, the first person you know there was a senior staff member, the assistant to the executive director, Mr. Kostoleczki, who was receiving me. He was of Czech origin, so he knew the backgrounds of the eastern bloc countries. He was very nice, very polite. And then there were some former Hungarians who were working there who also welcomed me. I had to see the executive-secretary of the Economic Commission for Europe. He was a polite Finnish gentleman. His name was Zachary Tuomioja. I also had to go through a number of interviews there. There was an American economist who was responsible for the research work. He interviewed me also at great length, asking mainly professional questions. He was curious whether I was a genuine academic or a government official in disguise.

And I had to realize that there was a huge intellectual gap between my knowledge of economics and theirs. Even so my knowledge was technically rather sound. I knew a lot about statistical and mathematical methods. It was the Keynesian economics which dominated the way of thinking in the commission, and I had an extremely vulgar knowledge of [John Maynard] Keynes because his books were not available in Hungary and what I learned was basically through interpretations of others. And I also learned that we don't know about the modern western statistical methodology related to GDP [gross domestic product] and national accounting in general.

My first assignment was with a Norwegian econometrician-statistician. His name was Aukurst. He was one of the best econometricians and statisticians in Europe in

comparative statistical studies. And I was working with him for about three months to collect statistical data, and he was teaching me a number of interesting methods how to compare economic processes. He sent me to the OEEC (Organization for European Economic Cooperation in Europe) to the statistical department, where I met also some excellent statisticians and other people who are dealing with comparative studies. I decided to go and study at the so-called Higher Institution of Graduate International Studies. You know there is this institute in Geneva…

TGW: Institut de Hautes Études Internationales (Graduate Institute of International Studies).

MS: Yes, and I decided to go and study there. I attended two courses. One was Roppke, who was an extremely conservative German economist, and the other was Haberler, who was an equally conservative Austrian economist. He became later the chief economist of the American Enterprise Institute in Washington, where I visited him in the 1970s a couple of times. I used my stay in Geneva to study not only in their classes, but whenever I had the time I sat in other courses and classes. I used this year to learn more systematically about the western economic science.

After these three months going through the statistical studies and exercises I got acquainted also with the work of the commission. I got an individual assignment, which was quite interesting: to write a paper comparing export credit insurance schemes. I did it. A part of it was published in the *Economic Survey of Europe*. Besides, I used this study that I wrote on the export credit insurance for collecting information for writing my academic thesis in Hungary (Candidate of Economic Sciences).

I also must tell you something. Dag Hammarskjöld visited the Economic Commission. And just by coincidence I was invited to the party to this Norwegian economist and Dag Hammarskjöld also was present. So I got acquainted also with Dag Hammarskjöld. We had about five minutes talking. He was very much interested and knew a lot about Hungary.

And then it was the Congo operation. An Austrian colleague, who had been involved in the preparatory work on the Congo operation, asked me about some advice whether any of the Eastern European countries or specialists could be used in Congo, including me. It was of course an impossible thing. He thought that with the [Patrice] Lumumba government they would need some experts from the eastern region who could understand at least the logic of both sides.

I also got acquainted with some people in the ILO (International Labour Organization), and I learned about its activities as well. And I got interested in some aspects of ILO work. When I returned to Hungary, I was really very well trained in "service," and I also did some relatively useful work for the Economic Commission for Europe.

TGW: You mentioned earlier that in fact Hungary was able to participate in the ECE.

MS: Yes!

TGW: Before it had joined the UN. What was the atmosphere like within the secretariat? Was there an openness to other ways of organizing a society, that is all of Eastern Europe? Or was there a tolerance? What was it like?

MS: The secretariat was very much mixed. First of all there were people who were very much open to all the ideas, like Norman Scott, who retired from the Economic Commission for Europe a few years ago. Norman Scott was extremely helpful and open and tried to explain everything to us. There were, however, people who considered us as a pain in the neck or a pain in the ass.

TGW: Whatever part of the body you prefer!

MS: Whichever part of the body you prefer. And they said: "What the hell are you doing here?" They disliked people from our region in general. But later on, even with these people, one could get along. I would say their views on Eastern Europeans had been basically shaped by Russians, and there were terrible Russians there. The person who interviewed me, his name was Ikonikov, I will never forget him. He acted like a military officer. He called me a couple of times to his office and instructed that I should not talk to this man or this person because he or she is the agent of the British or the French and they are all there in order to use us for collecting information and getting us to work for them in their intelligence services. These people didn't do much professional work. They were working on a part of the *Economic Survey of Europe* which was dealing with Russia. The *Economic Survey of Europe* was at that time the only important source of information for Central and Eastern Europe. And these Russians presented data on the Soviet Union in a way which was far from the realities and tried to block any effort to get out meaningful information.

In this context I want to add, that ECE was still able to do meaningful analysis. I learned also from Aukurst how to bring together realistic information from data mosaics. You see, there were no figures for GDP on the Soviet Union. There was little statistical

data. The countries information gave quantitative figures on a steel output or grain production. We used this data for building up a kind of national income figure which would not be published but at least one could make some guess comparing Russia or Hungary or the region in general.

There were also other people from Eastern Europe. There was one Romanian who was a statistician, and he did not know much about statistics. There were people who became good friends. I had a very good Spanish friend who became a minister in the Franco government later. He was at the time a young statistician. Actually, after the first three or four months, I didn't have any problems with the atmosphere there or any feelings that anyone would be hostile, being against me or against Hungary. But one had to understand that there were different experiences and impressions.

TGW: As you mentioned, that was one of the few places where East and West met. It was one of the few sources of data, however poor or feeble. One of the things that seems to come out in other interviews is the extent to which the ECE and ECLA (Economic Commission for Latin America) seem to have a much better reputation for both staff members and analysis than other regional commissions. Was that your view back then, and would that still be your view today?

MS: I think that the staff there was very good. I told you, the head of the research department was an American, his name was Strauss. He came from the American administration and was also working in the American military administration in Germany. He was a very good economist. I was talking already about the statistical work. Internationally, it was the highest standard of statisticians one could find.

As far as the other researchers were concerned, there was a British economist who became a very important Sovietologist, called Michael Kaser. Michael Kaser was later on, I think, still is in St. Antony's College in Oxford. He became really the key figure in British Sovietology later on when he left the Economic Commission for Europe. There was Norman Scott, an English man, who was an excellent expert in trade problems and financial issues. The head of the agricultural department—it was the joint department, FAO (Food and Agriculture Organization)-Economic Commission for Europe—was an excellent Swedish forest economist working with one American and one British forest economist, and all the three persons became important figures in their own field later on. And I must say that there were very few places in the UN where there was such a high concentration of such high level people.

The people who came to the meetings were government officials. Most of these government officials were quite good in their own fields. They brought a lot of interesting and important knowledge from their respective government bodies. In those years, the Economic Commission for Europe was really a unique place within the UN system. I don't know much about ECLA, but I maintained interest in the Economic Commission for Europe. The commission started having problems in the 1980s. Probably when in the UN the regional commissions were condemned to reduced roles, the Economic Commission for Europe was also condemned to decline.

TGW: Did your encounter with the United Nations change your views about how easy or difficult international cooperation or multilaterialism would be?

MS: I think that at that time, when I was in the Economic Commission for Europe, I didn't think of easiness or difficulties of international cooperation. I considered

international cooperation as something which is a necessity. I learned already earlier that countries are pursuing their own interests and international cooperation is just an area where each of these countries try to get out of it as much as they can. I was much more interested in the area on which I was working. So how that given field is useful, to what extent it is professionally interesting, to what extent it is contributing to any important solution. Actually I started thinking about easiness or difficulties of international cooperation when I was involved in the NGO (nongovernmental organization) work.

TGW: This was much later?

MS: This was much later. In the early 1970s, I became a member of the Executive Committee of the World Federation of United Nations Associations (WFUNA). This was an interesting opportunity at the policy level, to understand better the difficulties or easiness of international cooperation. All the political problems of the UN were also reflected in the work of this NGO, which was called by a number of people as the "poor people's United Nations."

TGW: You had experienced this somewhat earlier at the university. I guess today we would call it "political correctness": what was acceptable to say or how acceptable it was to push certain ideas and in certain ways. Did you experience a different kind of self-censorship or genuine censorship, or was this a factor at all?

MS: In which sense, what do you mean?

TGW: In the sense that certain subjects were not able to be researched, or certain policy formulations were not able to be put on the table because staff members would have disliked it, governments would have disliked it, and therefore one went off in another direction.

MS: In the UN on the level where I was working in those years, I never felt this. Why? Because we were supposed to try to find out what were the realities in the given field. The manipulation of the information or issues, how to present it to a political body, came up at a much higher level. So for most of us, it was not really interesting or important what a government would say about this or what a government might say about that. Some colleagues, mainly from the Soviet Union were more reluctant to deal with the delicate issues.

I will never forget, for example, that in the framework of the Economic Commission on Europe, when I was working on the GDP data of the Soviet Union and other European countries, trying to compare them with some of the western countries, I was warned, not only by this Mr. Ikonikov, whom I mentioned, but by another Russian, I have forgotten his name. He was a much more quiet person. "Be careful," he said, "because what you are doing here may be reported back to your country by somebody." That was the only warning that I got concerning certain delicate areas. I was not in a position in Hungary to have access to confidential data, so I had no information whatsoever on those issues which were not even communicated to us officially. But this man warned me, maybe with good will, to "Be careful." His name was, I think, Isaev.

TGW: This is the beginning of tape number two, a continuation of a conversation between Mihaly Simai and Tom G. Weiss on the afternoon of 9 July, the year 2000, here in Budapest.

Earlier we were in Hungary in 1955-56, and now we are in Geneva, but one of the events that occurred elsewhere that was later to have a lot to do with what happened in

the United Nations occurred in Bandung (Asian-African Conference). Do you remember this being an event of significance or being reported as an event of significance?

MS: Very much so. The Bandung conference was something which at the very first time facilitated the clearer understanding of the global changes that it was not only East and West in the world, but that there was something in between. And the principles of peaceful coexistence which were formulated in Bandung found their way also to Hungary. For example, I immediately introduced this into the curricula in the university, and I think the significance was not only intellectual. After Bandung, in Hungary, we had many, many more visitors from the Third World countries than ever before. And I think it was a particularly important connection for me personally, but also for others in Hungary, to have relations with Indians. A number of important Indian personalities visited us, visited the university, and since I was one of the very few who spoke English, I served quite often as interpreter to these people and learned a lot from their ideas, their approaches to the world. So Bandung was an important change, also in Hungary.

And it has resulted in another thing. Before the Bandung conference there was more or less universally accepted idea that there were two models of development economically. One is the centrally planned system, the other model is the capitalist market system. And it was a simplified thing, and even at that time we understood that the American and the British approach was different because of the structure of the two countries and the economies, but we didn't think much about the developing countries. So after Bandung, India and Indonesia were introduced in the curricula of the university.

So that was the meaning in Hungary of Bandung.

TGW: So an event does have a direct impact on the classroom and therefore on the kinds of ideas that people carry around with them?

MS: Yeah.

TGW: Was there any, or do you recall having any, ideological interest in the East in this set of events that was developing in Bandung? Did this seem at the time that it might favor the centrally planned or socialist or communist models? Everyone, the Soviets and the Americans, were both for decolonialization, for different sets of reasons. But did it seem that this new grouping of countries would ultimately favor the East versus West, or the West versus East?

MS: I think that this issue came up a little bit later than during the Bandung conference. When I was on the Economic Commission for Europe, the whole approach in the Economic Commission for Europe was really black and white: the centrally planned system and the capitalist market system with nuances of the market system. Later on, I started working on the issues of the developing countries. Here, the main issue was whether the decolonization process facilitated the so-called independent economic development. We considered, not only in Hungary, that a centrally important aspect of decolonization is economic independence. So this issue of economic independence came up in the education work and in the discussion on development. In 1963, a very important thing happened.

That professor about whom I was talking, already whom I was working with since 1951, was invited by Kwame Nkrumah, the new leader of Ghana, to prepare a five-year plan for his country. He didn't know anything about the African situation, but he asked some of us to work for him on the background of the planning process in a developing

environment. And particularly, he wanted to find out how the African societies and how the political decolonization process has been influencing economic development or economic change, particularly in India because he wanted to use the Indian experience in Africa.

I started working on the financial aspects of development. How are they getting their funds for investment? How are they accumulating capital for the investment? How are they able to import capital goods without having hard currency? So these issues came up in the planning process, and at that point we started, or I started, working more seriously on development issues, for very much practical reasons, to help his work on economic planning in Ghana.

TGW: And so you had left your in-service-training in Geneva, and you'd gone back to the university?

MS: Yes.

TGW: And began working on these issues? Is this, then, when you developed your interest in development economics, development planning, and was this a kind of transition to the CDP (Committee for Development Planning) in New York?

MS: That's right.

TGW: So how did you end up at the Committee for Development Planning?

MS: In 1963, I was asked by two former colleagues from the Economic Commission for Europe, who came to Hungary and interviewed me as a former person from the Economic Commission for Europe, whether I would be interested in going to the UN. One person was the same Belgian who interviewed me first and the other one was also a colleague who came here for some other reasons for the Economic

Commission for Europe, but they wanted to see me. They said: "There will be chances to go to New York. There is one Hungarian guy sitting there but mainly dealing with Hungarian economic research. They would need somebody who has broader experience." So I said: "Okay, I am, in principle, interested."

At that time I had an interesting function in the university when a large number of foreign students, mainly from Africa, but also from Asia and Latin America came to study at my university. I was assigned by the rector to keep the foreign students. In order to work with them, I had to learn much, much more about their countries, and particularly about Africa, because the Hungarian government offered fellowships for the students of the new countries. Lots of students came from the Arab countries, from Syria, Yemen. We also had people from the national liberation movements, particularly from the African National Congress, and people from Zimbabwe. So, I got involved in this work, and I had to offer a course for these people, to give a perspective on the global economics from the perspective on developing countries. In order to understand the perspectives of developing countries, I had to learn a lot about what the developing countries were.

In 1963, I was invited to go to Moscow and study at the Patrice Lumumba University. And I got acquainted with the Soviet researchers on development issues.

TGW: This was in 19—?

MS: Nineteen-sixty-three. And I visited the Africa Institute, studied at the Patrice Lumumba University, and learned a lot of what the Soviet profession is like in this field. Then coming back, I moved slowly to the field of development economics.

Then early in 1964, I got a concrete offer from the UN. This started a long procedure. There was an official interview from New York in the Ministry for Foreign Affairs. This time in Hungary the situation was different than in 1959, but still it took some time again to get a new security clearance from the Hungarian authorities and then, sometime in July 1964, I got the official acceptance from the UN, and then in October we left for New York for the CDPPP (Center for Development Planning, Projections, and Policies). And CDPPP, as you may know, was the center for research in the UN. It was at that time the main economic research arm of the United Nations, doing not only economic research, but also doing technical assistance in development planning areas for the developing countries. And that's how I got to New York in 1964.

TGW: And this time it was "we," that is the family?

MS: Yes.

TGW: Were you also linked with the working for the Committee for Development Planning?

MS: That was much later. I got acquainted with the committee when I was in the CDPPP through Jan Tinbergen.

TGW: He was the person I was going to ask about!

MS: First of all, his idea was to organize an independent economic research institute which would be doing research for the United Nations. He was not very happy with CDPPP as such, but he thought that this type of institute could serve much more the UN and the world. But he didn't get that institute. The reasons were manifold. There were quite hostile attitudes by UN staff people within the UN to this idea and, of course, if there is a hostility in the staff, then it is very easy to extend this hostility to

governments because particularly the high-level staff members always have access to the ears of different UN mission heads, and the governments were also hostile. But he managed the setting up a Committee on Development Planning in the UN. You know there has been a lot of interesting and important work on development planning within CDPPP. I must say that CDPPP work was much more important and relevant from the point of view of development planning than the Committee on Development Planning.

Tinbergen's idea was that this committee should go out to the capital of a country and evaluate with the help of the experts who are in the committee the development planning exercise of the respective countries. It would be a kind of a permanent mobile group. But actually the people who had been working in CDPPP knew already much, much more about developing planning, and the expertise resulted in a lot of interesting and very good studies on development planning like policy of foreign trade, employment, agriculture, industrial development.

Who had been there in CDPPP as experts on development planning? I would shout with two Chinese colleagues. One was N.T. Wang, and the other one was Chang Tse-Chun. Both had long UN experiences and very good knowledge of economics. They understood the problems of China from the point of view of development experience. There was, I would say, an excellent African colleague from Kenya, who started development planning work in Kenya. There were people from a number of smaller developing countries, like Somalia, Tanzania, and Sri Lanka. There was a South African colleague. His name was Smith. He knew very well South Africa and the southern belt of Africa.

We had people who, in the framework of the technical assistance work, visited a number of countries and helped economic planning within the African or Asian countries, like a colleague from Cyprus and India. There was an Englishman, Sidney Dell, who has been an excellent expert on foreign trade issues. And when one entered to this CDPPP and worked there, just reading the reports of the staff, one could learn a lot of things. I had to work for example, at a very early stage, on foreign trade, how to plan foreign trade in developing countries. I was also sent, for example, to Syria, to help in Syria the development planning exercise in foreign trade areas. There was a gentlemen, a Greek Cypriot, who was very good in financial planning in CDPPP. Later on he became the minister of finance of Cyprus, and he was working in this field for years.

So I just wanted to say that this institution had very good accumulated knowledge on development issues and on development planning issues, and I think such people like Mahbub ul Haq, Amartya Sen, all came as consultants and worked for a while for CDPPP.

The head of CDPPP was an American economist Jacob Mosak. Mosak was not a development planner. He was basically an excellent econometrician. He was not too popular within the UN because of his role during the McCarthy period. He was testifying against some of his colleagues during the McCarthy era. He was an excellent professional in the field. He didn't like people from the socialist countries too much. But still, we could get along with him.

So I think what CDPPP brought as an experience or knowledge in development planning was how to create the conditions for planning and how to plan. How to go from a non-planned economy to a planned economy? What are the limitations of planning?

So how much planning can you do in an economy? What can you plan, what can't you plan? How you can evaluate the performance and the fulfillment of planning? And then in certain areas of planning—in planning of agriculture, industry, foreign trade—again CDPPP brought in excellent expertise, and the publications of CDPPP in this field, if people would read them, are still reflecting a very high level of knowledge and a rather good information on the issues. CDPPP was dealing also with the economic policy and planning experiences of the socialist countries, and I think in some ways it was better than the Economic Commission on Europe because it was able to put the former socialist countries, their performance into a more global perspective.

The fact that there were people who understood economic planning experiences in other parts of the world have also helped a lot in this field. The experiences or knowledge on the planning on the former socialist countries were helping the people from the developing countries, because some of our colleagues from the developing countries had lots of illusions about how much development planning was valuable. And we had to tell some of them that: "Okay, planning is more of a kind of technical exercise, and it is the economic policy on which the planning experience is based which counts, and if the economic policy is bad and unrealistic, then the planning procedure will necessarily reflect those shortcomings."

TGW: How did your own thinking develop as you were encountering real problems, people with knowledge of real countries? Because you explained earlier that you were trying to teach a course reading things out of books and working backwards. Was this encounter with first-hand knowledge and people with intimate knowledge of a country's experience critical in your own thinking?

MS: Oh yes, a lot. A lot. First of all, I must say being in the United States in itself and reading the American literature opened up a lot of new areas for knowledge and understanding. Having access to American experts, again, was extremely important, but it was equally important to get the information from these people and to do work for them. Some of my interesting work was a participation in a UNITAR (UN Institute for Training and Research) project on "brain-drain." This was the very first UN study on "brain-drain," and we had to go through a very interesting and painful process to understand both sides of the "brain drain:" those countries which are attracting the people and those countries where the economic, political, cultural realities are pushing out the good experts. And we understood through these "brain-drain" studies much more clearly the shortcomings of the former socialist countries in these areas.

But also in the field of economic planning, I understood much better why our plans in Hungary, for example, failed. What were the main reasons for not fulfilling the plans or going to wrong directions? I came to understand personally, much, much better, the role of the Soviet Union in this region, and also particularly in the field of the economics of this region. That access to the information we did not have in Hungary, and not even the Hungarian government was probably able to get that type of information that was available in New York.

And there was another thing. One could understand better the real thinking of people, particularly from the developing world, but also from the industrial world. So how the professionals from the developing country world were thinking? What was their approach to socioeconomic problems? For us, poverty which one would experience, let's say in India, was one horrible thing. So how could someone harmonize his views on

economic planning with the long-term sustained poverty in the country? These were extremely interesting experiences in a number of ways.

TGW: What was Tinbergen like as a person?

MS: Tinbergen was, I think, very much open-minded, but he pushed very firmly his ideas. When he was firm on something, it was very difficult for him to change his mind. I had only one or two opportunities to have some arguments with him, but it was basically impossible to convince him on these issues, particularly when the issue of indicative development planning and the command economies came up.

TGW: Did you sense he was going to win the Nobel Prize, the first one given in economics in 1969?

MS: I don't think anybody expected that, but his role at that time was, probably, extremely important in making the thinking on development problems globally accepted. And if you think of his original approaches, in my view, he did not bring in many original ideas, but he was able to collect different views, ideas, theories, and I would say make something new and original in the theoretical and practical issues of development. But his greatest contribution in the field of the planning experience was probably the fact that he understood very well the constraints, what are the constraints and how should these constraints be dealt with.

TGW: Well you mentioned how your own ideas and thinking changed as a result of working within the CDPPP and with the CDP. How did ideas developed by the center, or the committee, go back out to the world, go back to universities, go back to governments, go back to NGOs? How did ideas go from the UN to other institutions?

MS: It depended on the idea. It was a two-way street. The UN staff, particularly in CDPPP, had a relatively good access to the experts in the profession. So, let's say, some professional economists in India raised some interesting issues on deficit financing. This was picked up by some of our professionals and mentioned, analyzed, criticized, or praised in UN documents.

Through the *World Economic Survey* and other publications, which did have a good audience, mainly in government expert circles, but also the academic world, the ideas were spread about important topics. But there was a much more direct way of spreading the gospel. Through relations with government representatives in permanent missions, a number of things went from the secretariat to the permanent missions. Let us take the example of industrial development issues.

Industrialization had been an extremely important issue of the 1950s, 1960s, and to a certain extent, in the 1970s in the UN. Some Latin American economists in the UN working on industrialization raised the question what industries should be developed in the developing countries. Is there a interrelationship between economic development level and the structures of industries which should be established? One of the experts within the secretariat who worked on this issue was, I think, the Argentinean, Simon Title. Simon Title did work on the correlation between economic development level and the structure of industry which should be established in the countries. Based on his work in the secretariat with other colleagues, he developed a manual which was widely used by planners in different countries.

TGW: Well we'll stop here for a moment here.

MS: This process was also helping the establishment of an industrial development organization within the framework of the UN. There were people in the secretariat who pushed the ideas and found their ways to the governments. There were initiatives for this purpose which found their ways to the secretariat. So there was a kind of interaction in such major issues.

Another question was how the idea of the New International Economic Order (NIEO) idea came up and why. This is, again, an interesting case study. Some people say: "Okay, it was Echeverría in Mexico who initiated the NIEO." Actually, the roots of NIEO had been in the UN with U Thant. And if you read carefully the speeches of U Thant, you find all the important ideas which came out later in the documents of the NIEO. Of course not in such detail, or in such a sophisticated way, but the roots were there in the targets of the Development Decades. Actually Tinbergen was playing an important role in the Development Decades issues. He wanted a global plan, a framework for global development. The ideas of the First Development Decade were coming from within the organization and outside the organization, and the interaction really helped a lot. And I think it is quite natural in the case of—

TGW: And after all is said and done, what was the impact of the Development Decades, the first, and the second, and the third, and the fourth, or perhaps just the first two, in your view? There were lots of ideas contained therein. What happens once the secretariat gets together, outside experts get together, one hatches a Development Decade? What is the impact of this subsequently on policy?

MS: I think it is first of all creating a dialogue among experts: experts of the UN, experts of government to think on the longer-term issues of development. It also helps

the experts in finding priorities, understanding the constraints, stimulating cooperation, and formulating the tasks for the UN agencies. Second, these development decades forced governments to think in terms of their own development problems and specific responsibilities. It helped also the evaluation of policies in international aid programs, how the external sources of development could be adjusted to the needs.

It was also important to understand what type of growth could or would be necessary to achieve certain goals, to relate the actual economic growth to development targets, so it gave a comprehensive framework to development thinking. You see, I was participating on the preparation of the Second Development Decade in the UN, and we started with a global projection. This was the first comprehensive global projection. It was done in CDPPP to help the framework of the Second Development Decade to find out what kind of development could be achieved if the trends of the 1960s would be prevailing.

These projections had been forgotten, and the Second Development Decade was washed away by the oil price explosion and the global recession. The quality of the projections was quite good. I met a colleague in the UN a couple of years ago, an Indonesian fellow who was also participating in these projections, and he was showing me the targets for 1980, which were formulated in the late 1960s. And the difference between our anticipation and the real processes was less than 1 percent. So this meant that these projections were not too bad. More sophisticated global models were later prepared in the UN, but these projections were the very first ones which helped the identification of growth factors on a longer-term basis. The projections helped the control of the targets, which were influenced more by wishful thinking.

There were other important achievements of the Development Decades. I mentioned already the identification of the necessary magnitude of international resource transfers. They also helped the developing countries in raising some of the key issues of the global economy. The important strategic conferences of the UN, organized along different lines during the later years, brought back many ideas and many experiences of the development decades.

TGW: So you now are speaking about the food conference, population conference, environmental conference?

MS: Yes!

TGW: So these are yet another way for ideas to be put back in front of governments, or in front of NGOs, in front of individuals?

MS: This is a different story, but coming back to our work during the 1960s, we offered also technical advice to the planners, how to do certain things, how to prepare, for example, a foreign trade plan, or how to use statistics in the planning process. The CDPPP was extremely helpful in promoting also this kind of work. And I'm always coming back to that period of time because I think, again, the CDPPP was lucky to have a large number of extremely good, knowledgeable people who could combine economic research and practical work. And this was the "golden age" of the global economy.

TGW: One of the things that I wanted to go back to—you mentioned that the CDPPP was concerned with technical assistance. An idea like technical assistance or strengthening institutional capacities in developing countries was put out on the table and a few years later—actually during the period when you are in New York—the UNDP (United Nations Development Programme) is actually founded in 1966. What's the link

between a need, or a felt need, an idea or a set of people working ideas, and eventually the establishment of an institution, or what political scientists would call having an idea "embedded" in an institution, which then gives it a life of its own?

MS: I think that the UNDP had predecessors, and it had a relatively long preparatory work and accumulated knowledge already on some areas where the UN was doing technical assistance. The ideas which brought UNDP into existence already were in the ideas of the Development Decades, that there should be a UN agency laying the groundwork for capacity-building. Practical experiences also existed already in the UN framework. You are familiar with the idea of Dag Hammarskjöld, who proposed the collection of a group of experts who would be helping with economic development. There was SUNFED (Special UN Fund for Economic Development). There were other different groups in the field. So they accumulated a lot of experiences out of which a new institution came up. It was evident that first it is going to use this experience, second that it is going to use the expertise of the people who are already in the field. At the same time, the new institution probably reflected some new government interests involved. The UNDP was not really the result of any long-term, advanced planning within the framework of the UN system. Neither were the other agencies that were established.

TGW: Earlier today you mentioned that for you, international cooperation or multilateralism was seen as an imperative, the desirable way to do business. But it wasn't until the late 1960s, or about the same period, that you began thinking about when it worked, when it didn't, when it was easier, when it was harder, et cetera, et cetera. Did you maintain your optimism throughout this period in New York, or was this the end of optimism and the beginning of more pragmatic calculations?

MS: I think that somebody working for the UN or for international cooperation must be an optimist, and must believe in the rationality of this work. Even so, sometimes you find a lot of irrationality in the work of the so-called rational actors. But you must have a certain amount of optimism. But I must say that during my relatively long involvement in international organizations, I never experienced, maybe with one exception, hostile or directly hostile attitudes to international cooperation as such.

So I don't think that any of the people who I met denied the importance of international cooperation. Their approaches, however, were often different. I never got really less optimistic. I learned, however, to understand much more clearly and much more directly the different interests, motivations, the specific agendas, and the second thoughts of the different people who are responsible, on the government level, for international cooperation, the gaps between the demagogy and the reality, what they say and what they really want to achieve.

TGW: When you're about to leave the UN in New York in 1968, in a neighboring country, Czechoslovakia, we have the Soviet invasion. You had remained somewhat optimistic in Hungary in the mid-1950s. You said this was a temporary setback and that you still believed that reform was possible. Was your faith at all shaken in 1968 after Prague? Did you think you made a bad judgment a decade earlier in 1956, or was this yet another temporary setback?

MS: There were a lot of temporary setbacks during the 1960s. There was the Vietnam War. In Hungary, there were important reforms promised. The division of the world blocked their implementation. I had to understand again that there is on one hand the Soviet sphere of influence of which, unfortunately, we became a part. There is the

American sphere of influence. And there is a struggle between the two powers, but they are careful how far they are ready to go in order to push out the other from its own sphere of influence. So one learned a lot from these realities. And the big thing was how can you live more or less in a normal way in a divided world? By that time, we, or I, understood in Hungary that if you are in the Soviet sphere of influence, you shouldn't jump out too much. You know at that time there had been a joke in Hungary. A sparrow was in a heap of horse drops. And a truck came, and the sparrow was jumping from one side of the heap to the other side of the heap, looking for food, so the truck hit the sparrow.

So what is the lesson out of it? If you are in shit you shouldn't be jumping around. That was the joke at that time in Hungary, but we learned the lesson in 1956, so we had to understand the limitations—how far we could jump around before we would be hit by the truck.

TGW: I'd like to ask maybe just one more question before we break for the evening. You spoke in very eloquent and quite positive terms about the staff at the ECE and also at the CDPPP. Lots of other people do not speak so highly of the quality of the international civil service. If you think it's a fair question, how would you judge the quality of the international civil service as you encountered it with the quality of a good faculty in Europe or a good government service? Is it better, worse, or about the same?

MS: You know, my little book, which I published in Washington, *The Future of Global Governance*?

TGW: Yes. It's a big book!

MS: I did some research on the international civil service, and I must tell you what was my experience. At this point, we have the fourth, maybe the fifth generation of international civil service. The first generation was really immediately after the Second World War at the beginning of the UN, which was small and came mainly from the government structure of the most important countries. And these were basically good bureaucrats. They didn't have much vision or special expertise.

The second group, with which I was able to meet, was partially still the follow-up or those who were in the first group, partially those experts who came either from the governments, from the academic world, from the former colonial administration, but these people still considered the United Nations system as a professionally important and interesting place to work.

Then came the third generation, which was very much influenced and interwoven with the so-called Cold War struggles. In this group, there were people from different international intelligence services, or recruited by the intelligence services, and it was not just the Soviet side, it was the other side also. These type of people considered the system as a place where they have to serve more or less certain goals which are not really necessarily the goals of making the international cooperation more efficient.

There were exceptions. I mean I wouldn't generalize too much, but the massive presence of these types of people was felt in the UN. There was also another group in this generation, which came from the developing countries. Some of them were the relatives of the top officials, friends of the prime minister or the president. These changes together made the quality of professional work an issue of secondary importance.

After this, with the development of détente, maybe from the early 1980s, came the fourth generation, which is a different formation of people. Many of the professional economists have been influenced by an educational system dominated by neoclassical theories. This had an adverse impact on the work in development issues. And these people are not necessarily the best type of people for this type of work. The leadership of the different international agencies and also the UN leadership became much more interested in having these type of people than those who are of a different and more pragmatic nature. There, of course, are exceptions. UNICEF (UN Children's Fund) is one example where you have to have good pragmatists, because the organization cannot function with people with dogmatic thinking.

Then there are other problems. Since the, I would say, the [Ronald] Reagan administration, the UN lost its attraction for the good experts from the United States. And it has lost the financial attraction for good experts from Europe because a good expert is getting paid much, much better now in the private sector, in the transnational corporations, than in the UN. So some of the good professionals from the UN system also looked to other possibilities to work for a transnational corporation, offering better promotion possibilities. Some NGOs can also afford to have these types of people.

TGW: You mentioned NGOs as a new source or energy, a new career path. Have they also been a new source of ideas?

MS: Many of them, yes. You see, we were discussing the UN and where most of the ideas were coming from. Many of the ideas of the UN which are good and original are now coming from the NGOs. Few new initiatives were originally coming from the secretariats, and if you follow the issues which are now finding their ways to the UN

bodies, then you have to arrive at the conclusion that many of them had been raised in one or another area of NGO work.

TGW: And then they are picked up by the United Nations, and then they serve as a forum for discussion?

MS: Yes.

TGW: Well this nexus of ideas—international public policy and multilateral institutions—is a very complex one and NGOs are obviously increasingly coming to play a key factor in both the ideas and the negotiations. Well perhaps we may call it a day; the sun is setting here. This is the end of tape two, on the 9th of July, and we will continue here tomorrow.

TGW: This is tape number three, the 10th of July, the year 2000, Tom G. Weiss interviewing Mihaly Simai, this time in downtown Pest, at the Faculty of Economics in a delightful imperial building, formerly the customs house, now the Department of Economics and in between a German munitions dump. Good afternoon.

I wonder whether we could pick up one of the themes we left off on yesterday, namely the role of the Soviet Union and the Soviet bloc within international negotiations. In your book *The Future of Global Governance*, you wrote that this bloc was an integral constituent of the global power structure and its intergovernmental organizations. In these forums Soviet policies were ambivalent, reflecting geostrategic interests and the evangelistic nature of communism. Could you just sort of elaborate a little bit on that, and on the importance of what was called in UNCTAD (UN Conference on Trade and Development) forum "Group D?" What was the presence of the Soviet bloc as a negotiating force?

MS: If you look at the history of the system, the Soviet Union is one of the founders of the United Nations, but it did not know at the very beginning what to do with the UN in the new era. The Soviet Union was a relatively minor player in the League of Nations. Suddenly the Soviet Union became a major power and with a sphere of influence after the Second World War

And the first major problem with the Soviet policies was the so-called constant myth that they were against, basically, most of the initiatives of the rest of the countries. They did not have much initiatives; the only important thing was probably of what they tried to do, to bring in those countries which had been left out because they were considered as occupied countries. There was an agreement within the peace treaties in Paris to admit the former allies of Germany. This did not happen until 1955.

What were then the Soviet policies in context of the UN? First, the Soviet Union, of course, had its imperial interests in the global power structure and wanted to protect those interests. Secondly, the Soviet Union considered the United Nations system as a forum of the so-called global or international class struggle in which she was trying to advocate the advantages of the communist system, but the role of the UN as an instrument of promoting Soviet policy interests was probably more important than the ideological role. The two of course cannot be totally separated, but still the Soviet Union used the United Nations system as the United States used it as an instrument for her foreign policies.

In the early 1950s, the Soviet Union made the major mistake, from her point of view, in the Korean War, when she left the chair in the Security Council and the UN intervention had been accepted by the United Nations. And since that time the Soviet

Union was very keen not to let this thing happen again, and basically it did not happen. And in each of these so-called global crisis situations, the Soviet Union wanted to get as much advantage out of the forum of the UN as she could. But the major change in this context came with the entrance of Nikita Khrushchev, when the Soviet Union used its role as a leader of the bloc. The mechanism was that before important UN events, General Assembly meetings, or conferences dealing with special issues, there was a kind of a coordination session of all of the members of the bloc, which meant that the Soviet Union explained to the members of the bloc what was the importance of the issue for the Soviet policies and for the bloc as such, and there was an unquestioned support of the Soviet steps in the UN. Hungary became a member of the UN in 1955.

TGW: We're back after a sharp computer interruption. You were explaining the Soviet Union's briefing of Group D, or the eastern bloc countries, and you were also explaining Hungary's entrance in the UN in 1955.

MS: The Hungarian revolution created a major problem for the Soviet Union also in the UN, and this lasted up until 1961, I think, when Khrushchev paid his important visit in the UN, and he was also accompanied by all the leading personalities from the eastern bloc, including János Kádár. That was really the end of the Hungarian question in the UN. So how this situation, how this Soviet policy or UN policy was functioning, there was a kind of division of labor very often between the members of the bloc. It had been decided, for example, that one country of the bloc would say this, another country would say that, in a given UN meeting. The Soviet Union indicated whether we should be interested in any outcome on a given issue, or should we be just interested in the discussion and debate. It happened also quite often that the Soviet Union did not inform

the countries of the bloc in advance, or not all the countries had been informed by the Soviet Union.

The situation became much more complex when a number of developing countries joined the UN and the so-called Non-Aligned Movement (NAM) was divided into countries which were closer to the Soviet Union and the Soviet bloc, and countries which were not too close to the Soviet bloc. So there was a kind of a coordination effort by the Soviet Union in the context of those countries, those developing countries which were closer to the Soviet bloc, in the UN.

But this coordination was never as, I would say, systematic as the coordination of the members of the bloc. These countries were considered basically as allies, they were informed about the Soviet intentions, and there were consultations with them before, let's say, a UN General Assembly session on some of the key issues. There were a couple of questions which were important for the Soviet policies. One was the disarmament in the UN, and the disarmament initiatives were much better coordinated and harmonized. The Soviet interests in development issues at the early stages were not quite strong. It actually became somewhat stronger in the 1970s, but before the 1970s there was very little interest of the Soviet Union. The Soviet Union took part in the development debate mainly along the line of system issues—to plan or not to plan, that is the question—and advocated economic planning as an instrument of policies. And also, the Soviet Union was an important advocate of publicizing the achievement of the Soviet model of planning in the UN forum without really entering too much into the assistance of the countries. The state ownership and the nationalization of foreign firms were important components of this approach.

When did the Soviet interests become much stronger or strong in development issues? It was during the time of the debate on the NIEO. At first the Soviet bloc countries were not too happy with this, and then they understood that this was a very important new element in UN policies and it is in the very interest of the Soviet Union and the Soviet bloc to support some of the elements of NIEO. Basically, however, without firm commitments. The views of Soviet specialists on development were partially responsible for this at home. They said that there is capitalist and non-capitalist way of development, and the non-capitalist way of development could be divided into the socialist path and the so-called non-capitalist path which is not necessarily socialist but arriving at one point to socialism but avoiding the capitalist path. These were mainly confined to internal policies in the developing countries

There was an interesting debate within the Soviet Union and within the bloc on these issues. Some of the Soviet specialists in economics were considering this non-capitalist path which is leading to socialism as an unrealistic approach. Some others, however, were considering this as something which was a reality, and they tried to push this idea in the framework of the UN in the development dialogue. In the late 1960s and early 1970s, it was a basically theoretically oriented discussion.

The Soviet Union's role in sustaining the UN was also quite interesting. There was, in my view, if not an agreement, but an understanding between the United States and the Soviet Union that the UN should not get greater authority to become much stronger. The Soviet Union was very keen to keep the UN alive and well up to the point which was in harmony with her interests. And the UN was an excellent forum for the Soviet Union for confrontation: a structured confrontation which kept confrontation

within a given framework, and which did not allow, I would say, the widening or escalation of the confrontation into violence, but allowed several steps of escalation of confrontation. It also served as a forum for dialogue with those countries with which the Soviet Union did not have diplomatic relations.

This was not only the case of the Soviet Union. I remember in the case of Hungary, for example, there was a time when Hungary had no diplomatic relations with Israel. And the only important place to have direct negotiations with leading personalities of Israel was the United Nations. And this was a quiet place for both sides, and the Soviet Union also used this forum for this type of quiet diplomacy within the UN. So, to make in this long explanation a conclusion, I think one must say that the UN was helped and sustained by this Soviet interest, but it could not really progress too much beyond that scope of issues and actions which corresponded to the perceived interests of the Soviet bloc countries.

TGW: And the countries within the eastern bloc, you mentioned that the Soviet Union briefed them, and of course the United States also used the United Nations and tried to coordinate matters through OECD (Organisation for Economic Co-operation and Development) and other forums. But there was considerably less unanimity in views in the West than there was in the East. Was this another illustration of your sparrow story from yesterday, that there was very little room for maneuver publicly?

MS: Not only publicly. There was a very strict control on the foreign policies of these countries, and I think Hungary and Romania were the very first countries in the bloc which tried to pursue an independent policy line but for different reasons. In Hungary the interactions between domestic changes and international changes were much

stronger than in Romania. When Hungary went further in her domestic reforms, it was inevitable to change somewhat also in international relations.

One little example. It was already in the 1980s when the Reagan administration came in and there was a discussion about the new phase, or the new wave, of the Cold War and the deterioration of international situations. The Hungarian government, which in its debt servicing and borrowing depended on the good ties with the West, inevitably tried to establish a policy which was characterized actually by the British Foreign office as "mini-détente" between some of the main NATO (North Atlantic Treaty Organization) powers, like the United Kingdom and Hungary, so to pursue a policy which was not following the Soviet steps. This kind of policy was much more difficult within the UN. It was much easier in bilateral relations. But even within the UN, you could not deny that there were, I would say, certain differences on some policy matters between let's say the Soviet Union and Hungary, or maybe other countries of the bloc and the Soviet Union, but I know more about the Hungarian politics.

TGW: And how long did this uniformity or unanimity exist? Did it begin to break down in the mid-1980s, or did it have to wait until the fall of the Berlin Wall?

MS: It started breaking down earlier in the 1980s, due to the fact that the Soviet foreign policy was increasingly unpredictable. The Warsaw bloc countries did not want to enter into a new stage in the arms race. You may recall that the Reagan administration initiated this Star Wars (strategic defense initiative) program. And the Soviet Union wanted to push the Warsaw Pact countries to spend more on defense. And none of the countries really were too keen to follow this Soviet policy. So there was increasing disagreement on a fundamentally important issue, which is defense spending.

Then there were other things. The economic difficulties of these countries had been growing, and it was increasingly important, particularly for those countries which accumulated large foreign debt, to manage somehow their debt in such a way that it would not create a major decline in the standard of living of the population. And there was a great interest of the countries to join the GATT (General Agreement on Tariffs and Trade), to join the Bretton Woods institutions, which were really opposed by the Soviet Union. But the more the Soviet leadership became unpredictable and difficult, the divergencies increased. The disintegration of the bloc really started in this period of time. There was also another thing which is very often not really well understood. The domestic problems of the Soviet Union reduced the capacity of the Soviet Union to help the solution of the economic problems of these countries, at the same time reduced the Soviet capacities to intervene militarily.

The Soviet intervention in Afghanistan was also a factor. None of the these countries really was very happy with the Soviet involvement there, and the Soviet involvement in Afghanistan also weakened the military potential of the Soviet Union to intervene in Eastern Europe. So the disintegration, I would say, the "cracks," it is better, the cracks on the unity were growing, it was not yet disintegration, but there were important cracks. This is a more precise explanation.

TGW: Well, let's go back to where we were, because we'll end up in the post-Cold War era, perhaps, at the end of today. Yesterday we spoke about your first assignment in the UN and part of the deal, so to speak, was to leave your wife and baby at home. I presume that this was an effective way to control you. But my recollection of Soviet personnel during the entire period until 1989 was that there were no permanent

Soviet appointments to the secretariat, that all officials were on secondment officially from their government, and they had therefore official duties. Is this correct?

MS: As far as the UN staff members of the Soviet Union and some other Eastern European countries were concerned, they were part of their diplomatic corps. A Soviet Union staff member had a diplomatic rank, first secretary, second secretary, counselor, and so on. When they got their paychecks, for example, from the UN, they had to give this paycheck to the Soviet mission, and they were paid by the Soviet mission, but they got a free apartment and all the goodies from the diplomatic shops. But their salaries were defined according to the Soviet diplomacy, the ranking in the Soviet diplomatic corps. And some of the Eastern European countries did the same thing.

But not Hungary. The Hungarian government decided not to follow this policy. But we had also one problem. It was not allowed to have permanent contract with the UN, and the maximum which was allowed was at first three years, then they increased it to four, and then finally five years were considered as the limit of being in the UN. There were, however, some exceptions, particularly in the case of high-ranking people, who were very important from the point of view of the Soviet Union.

TGW: So in 1968, you had reached the end of your four or five year period at that point. So you returned back to the university at that point?

MS: I returned. I had in principle a permission for one more year. But I had to go home because of the education of my girl. You know she studied for the first four years in the UN school, and in Hungary the next four years were qualitatively different. It would have been very difficult for her to get adjusted in Hungary, so we decided to return to Hungary.

TGW: But thereafter, you returned to the university, you were frequently called upon to serve, in one capacity or another, in and out of the United Nations as an expert, or on this committee, or an advisor to that. Did you ever get the feeling that you were being called upon to be "Mr. Eastern European bloc" because of your familiarity with both situations, and also an ability to, within certain kinds of limits, to at least speak your mind?

MS: Certainly. Particularly, I was for a number of years in the Committee of Public Administration, which was an interesting group in the UN dealing with the reform of the public administration. Later it became the Committee of Development Administration. We did a lot of interesting work, and I was the only expert on that committee who knew all the three sides, the developed countries, the developing countries, and the Eastern European countries, because our task was to develop reforms in the administration in order to promote economic development. And that was really a useful experience for both sides, for me and for the UN. I was a member of the UNICEF executive board for about six years and the board elected me its vice-chairman.

But I was also invited to other groups. There was a group of eminent persons on the Economic Commission for Europe, which was dealing with the potential reforms of the Economic Commission for Europe. Again, I was invited as somebody who was well aware of the Economic Commission for Europe but also knew the countries, the backgrounds, the UN system.

But in 1969, I was entering into my so-called NGO period, when I joined with the Hungarian United Nations Association, and a few years later, I was elected as the president of the World Federation of UN Associations. As the honorary president of

WFUNA, I am still active in the work of this important NGO. I am also the president of the Hungarian UNA (United Nations Association), which is also active both in Hungary and in WFUNA. Just today, we had a little telephone discussion with the British UNA to start a kind of a new stage of bilateral cooperation within the World Federation. The work as the president of WFUNA brought me into the international NGO world. I visited during the five years of my presidency eighty-nine countries.

TGW: You mentioned a little earlier that for Soviet and Eastern European bloc views about development, the UN was not seen for a while as being the ideal forum. But am I mistaken that the second generation of human rights—to which you referred yesterday as being central, that is economic and social rights as a kind of prerequisite or a foundation for civil and civilian—was this not one of the main forums for this kind of ideological confrontation?

MS: It was much, much later. You know, human rights issues became really important international issues within the framework of the Helsinki Final Act negotiations. You may recall, when [Leonid] Brezhnev agreed in, or maybe it was a kind of a joint initiative of the Finns and the Soviets and some others, the key question was the quid pro quo, for human rights you get recognition. So the discussion that broadened the debate on human rights issues started really with the Helsinki process.

Up to that point it was limited mainly probably because it was more debated as a demagogic issue on both sides. But as far as the practical repercussions are concerned, the rights of the outside world to look at your human rights performance came with Helsinki. Because before Helsinki, the Soviet Union insisted that human rights issues in all the Eastern countries are domestic issues, and each countries had their own domestic

preferences, priorities, which should not be questioned by the other side. When human rights issues became internationalized, then the situation changed radically in this context.

TGW: One of the other events that occurred during your time in New York, actually at the beginning and end of your time in New York, would have been UNCTAD I and UNCTAD II.

MS: Nineteen-sixty-four was the first.

TGW: Right. And 1968 was UNCTAD II. Yesterday, you mentioned that Bandung, at the time, was very important at the time because a group of countries had been created in between East and West the so-called nonaligned group. Now we have something, I'm not sure whether it's above or below, but we have in addition to the First and Second Worlds, we now have a Third World. What do you recall were your own reactions to these UNCTAD meetings? And did it seem like a very important event in international economics? If you had been teaching your UN course, in other words, would you have inserted a new module in your course on North-South negotiations and the South at that point in 1964? Or would it have waited much later, until the NIEO in the mid-1970s?

MS: I tell you, the Soviet Union already in 1952 suggested a kind of a global trade organization or trade conference, something like that. There was a global trade conference, I think.

TGW: In Havana, for the International Trade Organization (ITO), which met earlier.

MS: And for one reason or another, the Soviet Union was hoping that the discrimination against state trading countries could be circumvented through a global trade agreement. And I think that the process which resulted in UNCTAD was really an interesting process because different groups had different interests within the negotiation process. The Soviet Union and the Soviet bloc was much more interested in the so-called East-West trade, that UNCTAD should really become an important forum for East-West trade.

The developing countries had another interest. They wanted the stability of commodity prices; they wanted freer access to the markets of the industrial countries. They got little in GATT. It did not pay much attention to the developing countries and that type of negotiations, which were known as "rounds," were not really acceptable to the majority of the developing countries because they were not really able to give concessions. So they wanted mainly unilateral preferences. Then they wanted the connection between trade and development. So their argument there was that trade should promote development and trade relations should be conceived in such a way to help development.

The industrial world had very little direct interest in UNCTAD, but they still thought that maybe there could be some type of negotiations, and maybe the trade issue could be somewhat diffused through UNCTAD. So it was interesting—disharmony among the participants of the negotiations leading to UNCTAD.

In the UN, again, there was debate. Should there be a new body? Should there be a trade organization? And finally, they could not agree to have a trade organization; it is still a conference and not an organization. Of course, WTO (World Trade Organization)

has a different meaning, and is important, but still UNCTAD is the arm of the UN in international trade but it is a conference and not a trade organization.

UNCTAD II was again, in this context, not a major change in this disharmony of interests. It did not change too much. But one thing has changed. Many of the western countries had to understand that important concessions must be given to some, to the developing countries, in the trade field. The slogan "trade and not aid" was a kind of a calculation on both sides that maybe, with the help of more trade or some trade concessions, the aid problem can be diffused. So—

TGW: But when did it become obvious to you that the international agenda had definitively changed? That is, that the ideas being thrown around as the result of the entrance of so many countries, as the result of their coming together and maintaining a kind of solidarity, that the agenda had changed?

MS: I was at the UN when this agenda was changed. It was in the 1960s. It was evident that when Mr. Tinbergen came with the *Global Plan*, when the issues of economic development became important for international organizations, when new people came from the new countries to the secretariat with new priorities, the different views, it was evident that things had been changing. I wrote a book, which was published in Hungarian only in 1969, *View from the 38th Floor*. I was working on the 38th floor. This was the very first international sociography about the UN which analyzed the sources and consequences of the changes through the social, political, economic, and cultural issues within the framework of the UN.

TGW: So little did you know when you began teaching that first course, when you knew nothing, that twenty years later you would be writing a sociology of the United Nations?

MS: That's right.

TGW: You mentioned that UNCTAD was not an "organization," but rather a "conference." But I know some of your more recent work has focused on the work and the impact of global ad hoc conferences. The kind of thing we mentioned yesterday in Stockholm or Rome or Beijing or Mexico City. What, in your view, happens to be the importance of such conferences? Some would dismiss them as jamborees; some others would say that they are essential to international relations. What is your own view about these conferences and their role in the development of ideas and policy?

MS: I have been involved in the work of two such global "jamborees." One was the global summit on children (Summit for Children) in 1990, organized by UNICEF. The other was the Copenhagen global summit on social issues (World Summit for Social Development), when I was a part of the official preparatory work on employment problems on behalf of the United Nations University. And my experiences are, I think, in agreement with the experiences of some other colleagues. The preparatory work is extremely important, because during the preparatory work, the experts who are involved in the preparations are bringing in the real issues, are bringing in their experiences, are bringing in their knowledge, and are bringing in the different perspectives of the countries, and it is evident from their expertise and from their knowledge, where an agreement can be reached, or where there would be no agreement. So you could easily finish the conference with the conclusion of the preparatory work on expert level.

Then comes—and I think I mentioned already, that when the experts are working on these issues, an important constituency is built up around the issues within the countries. The conference itself brings together the participants of the governments, the political process, the policymakers. They can not go much beyond the views and the ideas of the experts. They are pushed by domestic political interests and very often the final documents contain more wishful thinking than realities. But I think this exercise raises the concerns of the politicians, that the issues exist and they are supposed to do something.

TGW: Resuming, you were speaking about the nature of global conferences and the fact that, indeed, the preparatory work was important in the development of ideas, and that the conference was in some way a gimmick, so to speak, for the scientific and the scholarly work.

MS: This is a very interesting issue. Very often the outcome of the conferences is not something that can be easily followed-up or measured in concrete terms. Copenhagen was slightly different because it contained concrete suggestions to reduce the level of poverty by this percent or to change the structure of international assistance, the 20/20 recommendation and so on. But it is still very difficult to check because you would need statistics, you would need empirical surveys, and the reports of the governments are not necessarily the most sincere explanations of what has happened, really, in the implementation.

But still, I consider the follow-up part as a very important phase. I am not really happy with the idea of having a follow-up conference after five years. There can be maybe regional discussion on the follow-up issues, there can be smaller expert meetings

on certain details, but to repeat this stuff very often, it is a nonsense, and it is, really, a kind of ridiculing of the seriousness of these conferences. Even so there is an interest on the part of the governments, or at least in some of the governments to do this, and in some of the cases even the secretariats have a vested interest to keep the issue alive, and to give greater importance to their role and position within the organization, because they are prepared to follow-up.

But I think if the UN is going to do this follow-up, Beijing+5, Copenhagen+5, I don't know what plus five, then people will be tired. Basically they cannot say too much any new things. I was following up the follow-up of Copenhagen, the Copenhagen+5. It did not provide anything earthshaking. It just repeated mainly what had been said and repeated what was known already, that in some countries there were achievements, and in other countries there were no achievements at all, but it could not give a serious, I would say, explanation. What was the reason of the achievements in those countries which were better at implementing certain things, and why did other countries not implement the accepted declarations and norms and resolutions?

TGW: Well it does seem to me that conferences are important, assuming that the context is right and the work is solid. Another vehicle of sorts for ideas have been groups of eminent persons, who publish a report which is sometimes well publicized, sometimes less well publicized, the kind of thing that you've written about the Club of Rome and the Brundtland report and the relationship to spaceship Earth. But there had been a whole series of these starting with the Pearson report in 1969, which was just at the end of your period in New York, and Willie Brandt and on and on. How do you look upon these blockbuster reports as a source of ideas? Are they an effective tool, or does it depend?

MS: I think that some of this, like the report of the Club of Rome (*The Limits to Growth*), were really important because they opened up a brand new field of interest that say, the fact that there are limits to growth, in itself important things. I consider also the Club of Rome report important with the second report, the *Mankind at the Turning Point*. Again, it was pointing to the new issues of mankind. Some of the other reports, which I don't want to mention, were not really too interesting. They drew attention to things which were basically known, but I think you cannot just stop some of the important political figures in their efforts.

TGW: We were picking up with groups of eminent commissions.

MS: Okay, they certainly do good things to the world. And of course they seldom start such initiatives when they were in power, when they would have much more possibilities to do good things. Many of the eminent persons start their work afterwards, and they may feel certain responsibilities for the world, and I think they may for a while have a certain constituency and influence. But if you go through these reports, with the exception of the Brundtland report (*Our Common Future*), they have little practical influence. The Brundtland report was based on good expert work, so it was very seriously prepared. It had been initiated not by Brundtland herself but by the United Nations system as such. I don't really think that most of these reports are contributing with big things. Still they may bring new ideas and a few practical initiatives.

TGW: You used the terms several times, "expert" and "academic." What in your view is the role for outside academics or scholars in relationship to the UN system? Do we help keep them honest? What, in your view, is the largest potential impact for an outsider?

MS: It depends on the given field. There are areas where the UN cannot exist without outside academics because there is nobody in the UN to deal with these issues. There are areas where academics are used for window-dressing by the secretariat, where the secretariat is already familiar with the outcome of the given work done by an academic and they want the consent or they want to strengthen their views by external academic expertise.

I think that, by and large, if you look at the relationship between the international organizations as such and the academic world, you'll find that there is a fundamentally important role for the academics to help international cooperation with their knowledge and opening the frontiers of vision in the UN with their knowledge in a number of areas, not only, let's say in the fight against AIDS (acquired immune deficiency syndrome) or epidemics, but also in social changes. There are a number of issues which are not really seen by the United Nations structures, I mean the political process and so on, and it is the academic world which can provide the views.

Now the question is how to translate the views of the academic world into actions in the international organizations, and I think one must understand that one must differentiate between the expert and the scholars in the system. The experts are those who are familiar with work, let's say for a UN agency, with the needs or the problems of the secretariat and they can easily, or more easily, translate the views of the scholars to the needs of the international organizations. And the question is where is the frontier between the scholar and the expert? And I think that many scholars who are going to work within the framework of the system are themselves becoming experts, and their main job will be really the collection of those ideas which are in the academic world,

bringing in academics and academic views, and translating those things into the needs and language of the given field and the given UN agency. And I could provide lots of examples of this.

TGW: By all means.

MS: By all means. Let's see. There are now the global models. The UN started global modeling, and of all the global models, let's say the Leontieff model. Wassily Leontieff, a famous American economist of Russian origin brought together a number of good people and formulated the main issues of the world in an interrelated way, but such a way that was not digestible for the system. So the Leontieff report, which was published in the UN, was written by the scholars, and then experts within the UN translated the Leontieff report's ideas and recommendations to the language and to the needs of the world organizations.

Another very interesting question was the so-called nuclear winter. You remember the concept of "nuclear winter," in the context of nuclear war. There were a number of important academics who studied the potential consequences of a nuclear war. Their studies came from very far areas. There were some who studied the impact of large meteorites. I don't know the proper range in Mexico. And some of the academics came to the conclusion that these hits were resulting in fundamental change in the climate of the earth and the dinosaurs died as a result of this change because a kind of a "long winter" came to the earth. So from this idea came the concept of the nuclear winter as the consequence of a nuclear war, lots of nuclear explosions in the world which would be resulting in "nuclear winter" with equally devastating consequences. The "nuclear winter" concept and its connection with the arms race was already translated into the

language of the UN by the experts who understood both the academic part and the issues relating to the arms race.

So the issues of the global food security, again, comprise a quite different area of this kind, where scholars started asking questions. How many people could be supplied on earth? So what is the life sustaining capacity of earth? And there was an academic debate a couple of decades ago on this issue, but it did not have any relations with the practical problems of global food security. So the experts within the framework of FAO and the UN brought this issue in to the UN and translated it to issues. What can the international system do in order to promote food security? And how many people should be taken care of? They combined the UN demographic projections with the food problems.

TGW: Interesting examples actually!

MS: So there are a number of examples you can find in this field.

TGW: Earlier, you had singled out the NIEO as a critical event in the 1970s. When you wrote about it, you called it "the first widely supported political initiative by decolonized countries to change the existing order." On the other hand, this initiative went nowhere in very short order. Why?

MS: There were, I think, three main reasons. One reason was because the countries themselves which brought in the idea of NIEO were poor countries and they did not have any instrument beyond preaching. The norms of international economic cooperation, how and on what basis you're trading and what basis are you investing are decided by the strongest powers in the global economy. So if you have the weaker parts on the globe to define norms for humankind, okay you can speak. But you cannot act

alone. And there was very, very little support. The NIEO, originally, was coinciding with the consequences of the first oil price shock. And the developed industrial countries did not know at the very beginning how to react to this oil price shock, but they learned very rapidly how to react. And they internalized the impact of this on their economies. The developing countries did not have such possibilities, so they did not have the power. It did not really have the support of the strong countries.

The second thing was that it could not harmonize sufficiently with the interests of the developing countries themselves. The developing world was divided.

Then there was a third thing. With the end of the late 1970s, first Mrs. [Margaret] Thatcher entering to the British politics and her views on the market became dominant in Britain. It was basically an anti-trade union, anti-welfare state, but it influenced the global views. Then came the Reagan administration, which was equally anti-NIEO, anti-state, very much market-oriented. I call this process the so-called market revolution, which really washed away the ideology of the NIEO.

TGW: Was there a particular Eastern or Soviet bloc perspective on the oil price increases of 1973-74, and also of 1979? On the one hand, it strengthened the Group of 77 (G-77) and then their calls for a change in the international order which you sided with. But on the other hand, the price of oil was not of benefit to anyone except the Soviet Union. So what was the point?

MS: Some of the political leaders of the eastern bloc, including the Hungarian leadership, started saying that all this is happening in the West. "The Soviet Union is not going to raise the oil prices!" And when they realized that this was not the case, they started pushing the Soviet Union that "okay, you should give us some time," and there

was an agreement that the oil price increase would be gradual. And this gradualism would facilitate the adjustment of the countries.

The countries had enjoyed the advantages of the gradualism but did not adjust. So there was no adjustment. And then came the indebtedness of the countries. And what the Soviet Union did, it used part of her higher income from oil exports to increase her defense expenditures and the second part was used for food imports, because the Soviet agriculture got into an increasingly tragic crisis not being able to supply the growing population of that country. So the Soviet Union had to import lots of food, and they could afford it because they had money.

So that was the case with the Soviet bloc. And it was an interesting period of time, because some of the ideologists in this country supported the Arab world. "Okay, they have all the right to increase oil prices, and you are weakening the imperialist countries." But then they had to realize that we are also weakened by the Soviet oil price increases, so they had to shut their mouths.

TGW: Some people have claimed that there was not really a North-South dialogue, but given the proximity of views between the East and the South, it really constituted a West-South dialogue. Is that fair?

MS: That is not a fair statement. The East had in some cases a similar interest as the South, in other cases it was closer to the North. In the political process, the East was not a part of the North, but it was not a part of the South either.

TGW: The West thought it was part of the North, but the East did not think it was part of the North.

MS: Yes, and the East was nearer, as far as the problems of market access and restrictions on technology transfer were the concern to the developing countries.

TGW: A geographer some day is going to have a field day with all of these terms, but we'll stop there. Actually how do you see the future of North-South relations in the next ten to twenty years? A survival of an interest in framing the issues in that way, or is the planet now too fragmented ideologically and contextually?

MS: One has to look at this question through different issues. Issue number one is the polarization in the geography of global population. The North is aging and in the South the population explosion will be going on at least for another thirty, forty, maybe fifty years until population growths will be leveling off. So there will be pressure on the population of the South to find outlets in the North. And this will influence a few countries in the North. And the major pressure for immigration is piling up in the Southern belts of some of the Northern areas.

The second area which is dividing North and South is related to global financing. We are increasingly speaking about the importance and role of the global financial sector in the world. The global financial sector has become a dominating force in the global economy, and the financial strength of the North is overwhelmingly greater than of the South. So the capital, the money trading, the sources of direct investments, and so on, are coming from the North.

The third area which is a North-South issue is technology. Again, in order to become even a follower country in technology, you need relatively well developed technological capability. Ninety-five or 90 percent of the scholars are in the North, 85 percent of the research expenditures are in the North, and most of the important

technologies are owned by the transnational corporations. Most of the new knowledge which has been privatized increasingly is owned by the transnationals.

It is evident that there is an increasing gap between North and South, and the conflicts in these three areas, population, finance, and technology are evident. I think that there are many, too many other areas. In the field of environment, there are again North-South issues. That the South is saying that "okay, CO^2 emissions are mainly coming from the North," but with the development of the South there will be a growing southern contribution to this problem.

So I think the North-South problems must be looked at through issues. One must understand that while between East and West there were important political, ideological issues, there are no clearly definable political and ideological sources of conflicts between North and South. So I can not at least see that. Because the North does not want to occupy any of the southern countries, there is no effort for colonization and so on, so there is no so-called political imperialism, which used to be in the earlier part of this century. And therefore, the nature of North-South confrontation is and will be quite different than East-West confrontation was. That's my judgment.

TGW: I wonder whether we could ask you to put on one of your early hats of European integration—this is one of your early academic interests—and apply it to the South. Is South-South cooperation a way out of this conundrum, a way out of poverty? Or is there actually too much mutual competition in the South that this does not represent a solution?

MS: I think slowly the developing countries are learning the needs of regional cooperation, but it is extremely difficult. If you look at the southern, so-called integration

groups of free-trade areas or common markets in the South, they are not really functioning well. And if you look at the issue of why they do not function, first of all because they cannot offer too much to each other. Second, it is very difficult when you are talking about joint investment. It's very difficult. Who is putting up the money? Most of them don't have enough funds. And if you look at the nexus for South-South cooperation, there are always transnational corporations behind which are pushing this because they are pushing this they would enjoy larger markets. There are already international corporations also from the South. It will take another couple of decades, when South-South cooperation will be more important.

TGW: You've mentioned during your time at the secretariat having admired U Thant's views toward development, and you mentioned having met Hammarskjöld earlier. In your NGO incarnations, you've mentioned such interactions with [Kurt] Waldheim, and you have obviously observed [Javier] Pérez de Cuéllar and Boutros Boutros-Ghali and Kofi Annan since then. What do you see as the role of the Secretary-General in exerting intellectual leadership as opposed to security and military efforts? Is there a role, or could there be a role, and have any of these Secretaries-General played an important contributing role in the world of ideas?

MS: You know, I met Kofi Annan a couple of days ago. He was here in Hungary, and I mentioned this question to him. There is a new discipline, "the Secretary-General studies," a comparative analysis of the Secretaries-Generals. It was of course a joke. How do you compare a Secretary-General with another one? I think that as far as the intellectual capacity of a Secretary-General is concerned, it can play a certain role. Where? He must have a vision. U Thant had certainly a very interesting vision about the

future. Hammarskjöld had a vision, but his vision was different from U Thant's vision. Hammarskjöld considered himself as fulfilling a mission, maybe of Jesus Christ or something like that. U Thant did not have such ideas. Neither did Waldheim. Pérez de Cuéllar was probably the least interested in this long-term vision issue. He was much more interested in keeping the organization alive because during his time came the major blow from the United States, not paying the bills. Boutros-Ghali had all the vision and all the intellectual power and capacity, but he didn't have two things. He didn't have the managerial capacity, and he did not have such people around him.

Kofi Annan is probably the very first Secretary-General who understands the organization from inside. So he knows his limitations, constraints; he knows what types of constraints are from the side of the secretariat. He knew what are the constraints from the governments, and he acted or tried to act accordingly. Maybe he'll forget all this, and he'll be forced by the events by the different forces to forget. But he started in a very modest and very humble way with his approach to the system.

So an intelligent Secretary-General can do a lot of good things. A Secretary-General can have a kind of an influence which can result in lots of wishful thinking within the organization. I doubt that the UN has wishful thinking now during the time of Kofi Annan. During the time of Boutros, yes there was a lot of wishful thinking. U Thant was also looking at the future in an interesting way. I will never forget, I think I quoted one of his statements in my book, that "you will never understand how much we Asians can suffer, or can tolerate suffering." He brought in certain idealistic views and there was some, but he was also closer to the realities. Waldheim was a realist, no question about that. He didn't want to achieve more than to keep things running.

The second area is where the Secretary-General can influence and selecting his inner circle, and that inner circle has a great influence on everything. So if you select the wrong people, you can create a disaster in the secretariat. Because the inner circle is the one which is representing the Secretary-General toward the different divisions, departments, even other UN agencies. And if you select your inner circle well, then you avoid this. You can bring in more honest, hard-working people.

The third area where the Secretary-General has an important role is his interactive capacity with the government, how he could interact with the governments. And this is again, an interesting point because you have to know your government partners, as a Secretary-General, very well. You have to know the heads of the permanent missions very well—whom you can rely on, who is representing whom, how they are connected with the leadership in their own countries, and you can use this if you are understanding the process, you can be really successful in handling. If not you will be a failure and you will not be extended, you will not be supported. I had a very good working relations when I was in the UN with Boutros Boutros-Ghali. I understood from the very beginning his good intentions but also his limitations.

TGW: One of the issues that hasn't actually come up in our conversation, so I'll throw it out on the table, is the differences between Washington and New York, or the Bretton Woods institutions and the UN and the UN system. In terms of ideas, intellectual sparks, and the formulation of international public policy are the differences between the two sets of institutions important? Are they useful?

MS: I think the Bretton Woods institutions always had a different source of ideas, source of money, and the policies of these institutions had always a much greater impact

on the states than that of the UN. So this in a way explains, to a large extent, the different views. If you are relying on the international banking and financial sectors on your funding, you will have to follow much more the policies of this international financial circles of the world than if you are tied mainly to the political process.

Secondly, I think that the fact that these institutions became really universal only recently gave from the very beginning a kind of closer western relations than to the UN. The UN was more balanced, East, West, South. Thirdly, there is the power bloc behind these institutions which is the G-3, the G-7, the G-10, you see, which is the guiding force between these institutions. And then therefore they are closer to the policies, interests, and values to these different Gs (groups).

TGW: But one of the contentions, actually in some of the work that we're doing, is that ideas had come up in the UN perhaps because of this mixture of North, South, East, West, poor, rich, et cetera. They are different than what had come up in Washington, but in many ways, after a period of time, sometimes not even a long period of time, some of these ideas then are becoming part of the mainstream; whether this is planning, whether it's the notion of population control, whether it's the importance of sustainable development, the idea of a Special Fund that didn't fly in New York, but then was picked up by the World Bank and becomes IDA (International Development Association), even though there had been a distinct preference for not having one at all. So is the existence of these two poles, and two different sets of ideas, actually important in a kind of dialectical way to the production of ideas?

MS: I think it is important. You see, you were referring to finance, I'll tell you another example: poverty. The first serious discussion on poverty, serious in the sense

that it was based on empirical analysis, was done by [Robert] McNamara in the World Bank. And I asked McNamara at a much later stage, on what basis somebody who was the president of the World Bank came up with the poverty issue, and he said because he realized that if the World Bank, and if the world, is not going to deal with poverty problems, then all the other things would be wasted because the growth of poverty would sweep away the achievements in other areas. And at that time, in the UN, there was not yet a serious work on poverty issues.

So even in the case of poverty, the World Bank was ahead of other agencies, but nothing happened after McNamara's important writings and statements. It was forgotten, and it came back again through other channels to the UN, and then arrived to the World Bank and again to the IMF (International Monetary Fund).

Governance, again a very interesting concept. Neither the UN nor the Bretton Woods institutions were interested in the concept of governance up to the second half of the 1980s. And suddenly, it was the academic community, the NGO world which was dealing with this, and suddenly the head of IMF started working on good governance, and good governance became part of the cross-constituencies of IMF. So this, I just wanted with this to illustrate that there's no simple answer to the question, where the ideas are coming from and what is the role of different agencies.

TGW: Shall we take a break for a moment?

TGW: This is the beginning of tape four, the final tape between Tom G. Weiss and Mihaly Simai, next to the Danube on Monday, 10 July, the year 2000. You mentioned the United Nations University, or UNU, on several occasions. You wrote, I can't remember where, but in one of your publications that you had been involved really

from the outset as "an informal explorer of its feasibility." Could you tell me a little bit about that, and what was behind the notion of a university for the UN system?

MS: I tell you it was a time of my work during the 1960s in New York with U Thant on this question. I was approached by one of the aides of U Thant that the Secretary-General would like to see me as one of the academics from the eastern countries working in the UN, and I was told by U Thant that he would like to ask a kind of unusual thing: "Just informally, sound out the heads of the permanent missions of the socialist countries whom you know. What would be their ideas of a program or a project of a university within the UN system?"

And he told me about the establishment of an institution within the framework of the United Nations system, which would be a strange United Nations University—strange in the sense that the headquarters would be in New York, but the different faculties of the system would be in different universities where the most excellent people were teaching. So the faculty of economics could be, let's say, in Harvard, the faculty of physics could be somewhere in Germany, and so on. And this institution would train different professionals for the issues and practices of international cooperation in their own fields, through their practical experience in education. The United Nations system and the system of international cooperation in general would have a kind of reservoir of people who could work in these fields.

I approached first the head of the Hungarian mission, whose first reaction was angry. He told me "on what basis does the Secretary-General ask you as a UN staff member to approach the head of a permanent mission on such an issue? There are official ways to do this and so on, and he will make a scandal out of this. So he will raise

the issue." I managed to persuade him that it was an informal thing, that it was not a formal request. Even the idea was just an idea of the Secretary-General, and the Secretary-General did want to raise the issue before, but he was really furious. Then a reception in the Soviet embassy came up, and I knew I was going to meet with [Nikolai] Federenko, who was at that point the head of the Soviet mission. And I asked one of my Soviet colleagues about the issue. I said "look, I have been asked by U Thant to raise this question. Would you help me because I am also invited to the reception? We maybe could both approach Federenko and ask this, raise this question.

But things turned out differently. His idea was that you shouldn't tell Federenko directly that you have been asked by the Secretary-General. You should tell Federenko that you have heard about this thing, and you should communicate to Federenko this as important information to the head of the Soviet mission. But Federenko was not alone. It was [Andrei] Gromyko, the Soviet minister for foreign affairs, who was also standing there with Federenko. And we took an approach to these two gentlemen, and I talked to Federenko as it was suggested by my Soviet colleague, "that look, I have heard this important news, and I would like to tell you about it." And Gromyko erupted. "This is again one of the plots of the imperialists who want to dominate global science, they want to dominate everything." And I asked, "I hope that this is just a rumor and if there will be nothing in this, because we would be very strongly against it."

And then I repeated the same thing to the head of the Polish mission, and he was the only one, and to a certain extent the head of the Romanian mission, who was partly interested in this idea. So that was my first encounter with the United Nations University. Then I forgot completely the whole thing.

And then many, many, years later in 1981, I got a phone call from the Hungarian Ministry for Foreign Affairs that two gentlemen from an obscure United Nations institution, some United Nations University, will be coming to Hungary, and they are coming to the Hungarian Academy of Sciences, but they would like to establish also personal contact with people who are familiar with the United Nations and the international system and so on. And then I got a call from the Secretary-General of the Hungarian Academy of Science, on the basis that he knew that I was already approached by the Ministry for Foreign Affairs, that delegations from the UNU were in the Academy yesterday, they saw everything, and they would be coming to see me in the institute if I would be available to receive them. He explained that they were looking for associated institutions, and the academy was interested in finding some way of cooperation.

The UNU "delegation" was two gentlemen—a Danish and a Polish person—and they explained in great detail what the United Nations University was, and how it came into existence. I also explained to them my earlier encounter with the United Nations University. In fact, there was another episode in between, about which I spoke. When I was in New York in the 1970s, on behalf of the World Federation of United Nations Associations, I was approached by one of my old acquaintances, Arthur Lall. Arthur Lall was once the ambassador of India to the UN, and then he became one of the persons who had been asked by the Secretary-General to work on the UN University program and project. And Arthur Lall told me about this, and I explained to him what was the original reaction and really I don't see much future for such an institution, such a university where different faculties would be in different countries.

These two gentlemen told me that this was a university without students and without professors. Their main task is research. Poland was already cooperating with the United Nations University, and there are people from Poland working in the UNU. They asked me, "Would your institute be interested in cooperating?"

TGW: This was the Institute for World Economics?

MS: Yes, and I said, why not, if we can find some interesting project, programs in which we could cooperate. A couple of months later, the vice-rector of the United Nations University came to see us, who was Kinhide Mushakoji, a Japanese fellow. You know him?

TGW: I've met him.

MS: He developed a project on global peace and transformation, including the global crisis. I have forgotten the exact formula, but we decided to cooperate and became officially an associated institution of the United Nations University. And we sent some people to conferences in the UNU. I was participating also in one of these conferences in Austria. We hosted an UNU conference in Budapest on the topic of peace and global security. In 1985, the director of my institute, Professor Bognar was invited to become a member of the Council of UNU. But he disliked the work in the council, and he supported that instead of him, I should be in the council. So in 1986, I became a council member of UNU, and 1989-91 I was the chairman of the council. I learned a lot about UNU, and I started liking UNU. It has really become an interesting institution, with great potentials.

TGW: In what respect?

MS: In the respect that it was an academic body within the UN system. The research work was not influenced by the political process in the UN—neither the selection of its topics nor the way the research was done. The outcome was again not really a kind of an official UN document on something, but a regular academic publication. And besides, it was open to the different directions of the global academic community. And I entered the council when Soedjatmoko, a very well known Indonesian political philosopher and diplomat, was still the rector. He was an excellent philosopher and a bad manager, and almost ruined financially the institution because he started spending the endowment fund of the university.

So at the very last moment the university was saved when a new rector came in, Gurgilino de Souza, who was not a great philosopher, but he was a good manager. He was a physicist by profession, and he put things in order. As a member of the council, I was working with him in putting the problems and financing the university in order and restructuring the university. And as the chairman of the council, I had to do a lot of work in this field, particularly in negotiating with the Japanese. And somehow, I found the Japanese partners open, sympathetic to the ideas that we were representing, where Soedjakmoko had major problems with the Japanese. Of course he was jailed by the Japanese in Indonesia.

TGW: You mean, during the war?

MS: Of course during the war. And in Japan, his every second sentence was how much he hated the Japanese because of their behavior as conquerors and how they tortured the Indonesians. So, it was not really an excellent way of handling relations with Japan.

TGW: And Japan was the main, if not the only donor?

MS: Not the only, but the main donor, because the other institutions like WIDER (World Institute for Development Economics Research), the money was given by the Finns and so on. So in the meantime, in 1990 and 1991, I think, I went to Washington to do some research in the U.S. Institute of Peace (USIP). And there was also an interesting way of how I got there.

In 1989, President [George H.W.] Bush was visiting Hungary. And I knew President Bush from his earlier encounter, not during the CIA, but as the head of the American mission to the UN. And through some mutual acquaintances and friends, I was invited once or twice to some of the receptions which he threw at the mission. And of course he didn't recognize me, but I reminded him and he pretended to remember me, and we talked about my interests and what I would be doing in Hungary, and Hungary was already changing. He said that there was in America a relatively new institution which is under the supervision and guidance of the State Department, and this is the U.S. Institute of Peace. And maybe if I would be interested, why don't I try to go there to do some research. That they are interested in this.

So I found about this institution, I wrote to them, and mentioned this discussion with the American president, and I got an answer from somebody who I also knew, not her but him. The wife of Walter, W.W. Rostow. I knew Rostow, earlier, from my earlier academic incarnation. So I applied, and I was easily accepted as a fellow there, and I got acquainted with the American Council for the United Nations University. Have you ever heard of the American Council?

TGW: No.

MS: This is an institution in Washington, at the time the chairperson was Jim Leonard. But there were about fifteen American university presidents in this academic council, including the presidents of Princeton University, Yale, and many others. And this was an institution, which was supposed to—you know, the United States never gave a penny to the UN University, so through these people I started negotiating—I was at that time the chair of the council—I had started negotiating with people in the State Department, with people in the American academic community. Why don't you use United Nations University more? Why don't you give some money? Without great success, but still I brought closer the UN group. So this council had very good relations with the United Nations. Even though it was the Academic Council for the United Nations University, it had very good relations with the United Nations University.

So, I finished my term in Washington and returned to Hungary, and got a phone call from the rector that WIDER is in deep trouble. And he asked me to go there for six months and try to save the institution, because the Finnish government would like to liquidate WIDER, withdraw the endowment fund, close the institution because of the conflict between the former director of WIDER and the Finnish academic community, government, and so on.

TGW: This was Lal Jayawardena?

MS: And there was a new director already appointed, and when the new director realized what are the troubles, he immediately withdrew his interest in candidacy.

TGW: Who was that?

MS: Keith Griffith, he is a British-American professor from California. I went there for six months and stayed there for three years! And I think I managed to put things

in order, to put the finances of WIDER on the correct path, improve radically relations with the government of Finland, and establish a new direction for the research work of WIDER.

TGW: What was the explanation for the bad relations? I don't know this story.

MS: Very few people know this story. Jayawardena, who is a distinguished economist and diplomat from Sri Lanka, was the director. The Finns disliked his management and lifestyle, and there were some problems with bookkeeping. He was also focusing too much on Asia and disregarded other areas. There were also domestic political problems involved. There were articles in the Finnish press attacking him for his management style, for his lifestyle. He was called in the Finnish press as the "Oriental prince who is spending the money of Finland."

So the Finnish government came to the UN and asked for an official inquiry and auditing. And there was an official auditing and so on. They could not find any serious irregularities or other "crimes," but the damage was done, and in the Finnish parliament the issue came up. One person in parliament suggested that the government should initiate immediately the closing down of the institute and withdrawing the endowment fund. He even asked for legal action against Jayawardena. Jayawardena of course didn't embezzle money, or didn't steal. He was a rich man himself. I mean the family is one of the richest families in Sri Lanka. His father was the president of the National Bank of Sri Lanka. And then there were other problems. WIDER got a lot of money from different foundations, but did not give the reports, so there were these "little problems."

TGW: These "little problems?"

MS: So I had to put things—

TGW: In order?

MS: In order, which I did. And then it was a very interesting three years for me to participate in the UN system in the first half of the 1990s. Boutros Boutros-Ghali entered the UN around that time.

TGW: January of 1992?

MS: Yes. He immediately understood the potentials of WIDER for the UN, and WIDER became a key institution in the preparatory work in the Copenhagen summit. And I was responsible for the employment aspects of that involvement of WIDER, and we did other things also for the UN, and initiated lots of new projects, which were closer to the interests of the UN than the earlier work of WIDER.

TGW: What's actually been the impact of WIDER on the UN? Or what ideas of note have emanated from Helsinki to the UN or elsewhere?

MS: What did WIDER do for the UN?

TGW: No, for the world of ideas.

MS: For the world of ideas, you see, first of all, WIDER raised during this period of "market revolution" that there are alternatives to macroeconomic adjustment policies than the ones suggested by the IMF. I think that was a very important contribution of Jayawardena. The alternative policies were also formulated in the context of poverty. Amartya Sen, who later got the Nobel Prize, was running a major project in WIDER. It was empirical work which studied the relevance and the efficiency of public policies in the field of poverty and hunger. And most of the new ideas of the UN in this field came from WIDER, in these poverty issues.

The third important thing was the critical analysis of the strategic adjustment policies initiated by the Bretton Woods institutions. It was the very first critical analysis of these programs, and WIDER could prove that these programs were counterproductive, and they resulted in poverty, they resulted in lots of problems for the countries which implemented these programs, without really doing any good for anybody.

Another important contribution of WIDER has been, already during my directorship, the future of the global military sector. So how, in the post-Cold War era, what will be the impact of the post-post-Cold War era, what kind of conflicts can you expect? How will these conflicts affect defense industries, armies, in different parts of the world? This again was a contribution to the very thinking of the UN in the field of the UN in the field of new approaches to disarmament.

And then another interesting aspect has been the new global environment for the development process. What are the new implications of the global changes for the development process in general? Can the market economies or the market system be managed? Can the adverse impacts of the market system be moderated? And if yes, how? And we got Joseph Stiglitz into this project, and some other important people. Stiglitz was already the head of the Council of—

TGW: The Council of Economic Advisors (CEA).

MS: The Council of Economic Advisors with Clinton. Then there was the politics and economics of global employment was another important contribution to the Copenhagen summit, an important imput to the Copenhagen summit. And the main idea was that a major employment crisis has developed in the world, and this is a long-term issue. It is not just a kind of a short-term cyclical issue. It is related to the demographic

changes, to the technological transformation, to the government policies which were much more interested in inflation moderation in comparison with employment creation. And so on. So this was again an interesting contribution of WIDER's.

WIDER made a very interesting and important contribution on gender issues. And it was the first, I would say, serious multidimensional analysis of the gender problems in the framework of the UN system. Led by a lady who is of Iranian origin, but is a U.S. citizen, Valentine Moghadam. And there were lots of important and interesting publications. These were issues more important from the point of view of the UN.

But there were other things. For example, we did an interesting work on the reintegration of formally socialist countries into the global market system which was again an interesting, but not too important for the UN, but for the academic world it was an important contribution for the understanding of the problem.

TGW: Do you think that WIDER is the best part of the UNU?

MS: I'm convinced.

TGW: Why?

MS: First of all, because it could bring in the best academics from the given fields. The other UNU institutions could not do it. Secondly, it was much more relevant to the issues and problems of the world and of the UN, than the other UNU bodies. And I think if you look at the publications of the UNU, and the citations index, WIDER's publications are much more frequently quoted than all of the other UNU publications taken together.

TGW: Is there a role, in your view, for these kind of "half-way houses" of independent scholars in the system but not quite in the system?

MS: Yes.

TGW: One of the problems for me, thinking back to my own career inside the system was the difficulty of writing and researching independently, and frequently there is a tendency toward self-censorship.

MS: Yes.

TGW: A little of the kind we talked about in Hungary in the late 1940s or 1950s. And in fact, Ignacy Sachs in his interview for the [UN Intellectual History] Project, basically said that he thought this was one of the main problems with researchers within the UN or the UNU. How would you react to that?

MS: I think that this format which had been developed by UNU is probably the best way in bringing in academics to the system because they can maintain their full autonomy. Still they have to do so-called "target research," targeted toward the goals which the given project will have to serve. Look at this issue, the future of the global military sector. Why was it important? The countries were talking about disarmament in general terms. People were talking about the "peace dividend" which would be coming. Nobody really could understand in the UN system as such, will there be a continuation of the arms race, and if not, what will happen with the military sector?

So we were able to bring in very good experts, including scholars from the military, who were professionally analyzing these issues, without the constraints of being in or exposed to political criticism. So these people could say what they wanted to say about the realities.

TGW: You know there's plenty of research to be done.

MS: Yes. So these were the issues which we were able for the very first time to bring in, and I think the publications are clearly reflecting the values of this type of research.

TGW: What was Japan's interest in footing such a large bill?

MS: That was one of my questions when I started doing research on UNU, and I was lucky. I was sent to Denver by the U.S. Institute of Peace at one point to deliver a couple of public lectures in the universities and to the general public in the Denver area. And it was in the Denver press that this guy who is from the United Nations University is going to be there. And then I got a phone call. An old lady wanted to see me, and this old lady was the person who was the matchmaker between the UN and the Japanese government in the context of UNU. Her name was Mrs. Gross. She was a very active person in the 1970s in the United States UNESCO (UN Educational, Scientific and Cultural Organization) circles, and she was a widow of a very rich American who spent about $300,000 of her own money for the preparation of the United Nations University and bringing in the Japanese. Her husband had very good and close relations with the Japanese, and she had excellent connections in the UN system, and she was a great promoter of the United Nations University. And she basically was persuaded that one layer of the Japanese political hierarchy could then push the upper layer to take this initiative.

I have her two volumes in which she wrote the story. She was almost forgotten by the UNU. So I really rediscovered her. But she could not tell me what the real motivation was, I am sure, because an American rich widow was not sufficient to persuade the Japanese government. So what was the Japanese interest? I tried to ask this

question from the Japanese people. Professor Nagai, I don't know whether this name tells you anything—he was the minister of education of Japan for a while. He explained to me that Japan had the following expectations.

First of all, Japan was blamed for not doing anything for the UN system. So then this proposal came up, and the Japanese decision-makers in the government—there is always a circle of decision-makers—found it as a fantastically good idea to bring this United Nations University to Japan as an intellectual center of the world. And they were expecting that the best academics from the world will stand in line to come to Japan and work, and this will really give Japan a very favorable image in the world. Japan will be promoting global knowledge.

Secondly, they were believing that through this institution they will be able to help the developing countries. Japan will have all the knowledge and possibility to develop, to promote the development of higher education in many developing countries. And the third thing was, and it was his idea, that through the UN University, the academic community of Japan will be internationalized, because it was still a very much closed community, a very much a follower in ideas. They were not too good in raising new ideas. The academic world didn't understand well the outside world. So they thought that this will help the internationalization of the Japanese academic community. Then these were probably the most important things, why Japan decided to do this.

I was also interested why the United States was not interested.

TGW: Was not interested?

MS: Yes. That was another matter. The head of Policy Planning in the State Department whom I approached told me that the United States thought that America had

enough intellectual power and capacity, that there was no need for such an institution, because the American research establishment is the best and most universal in the world. Secondly, the United Nations system is not a place for research. There's no mandate for the UN for this type of work. But then, when the Japanese insisted that they are going to do this, then he said that "we don't want to block them." And I said, "okay, you would do this, but you aren't willing to give a penny for this." So that was the American attitude.

TGW: I wonder if we could go back just a few years from the mid-1990s to the mid- to late 1980s. Yesterday, when we had spoken about the post-Second World War in Hungary, and post-1956, and post-1968, you mentioned that "the time was not right." Obviously the time had become right in the mid-1980s. But did you or any of your colleagues see how rapidly change would occur, and the Soviet Union would implode, and basically Eastern Europe would be totally changed?

MS: I tell you frankly, we did see a lot of problems. I was working in a research institute in Hungary which was doing long-term projections on the global system, including the socialist countries. We had a lot of knowledge about the crisis evolving in those countries, particularly in the Soviet Union. We knew all the details, what was happening there. The collapse of the transport system, the horrible problems with food supplies, the increase of corruption, the disintegration of the economic system, the difficulties in satisfying the needs of the military. So all this was known to us, much more than for the other Eastern European countries, and maybe, much more than for many people in the Soviet leadership. Why?

Because we had a special department in the institute working on the projections of the Soviet system. With young people who were fluent in Russian, some of them studied in the Soviet Union, and they had very good personnel connections with those people on the lower level on the Soviet hierarchy who were aware of these problems. And we had a lot of money for this. We got this money from the Hungarian government, because in Hungary there was no possibility for the government to find out from official sources what was happening, and the Hungarian embassy in Moscow was limited in its possibilities. So, we got the request from the very top of the Hungarian leadership that they would need information, serious and solid information about the Soviet Union, what is going to happen there. And they were ready to pay.

We wrote excellent reports on this basis. One of my colleagues went for example to the Soviet Central Asian republics. He spent three months there. And he brought back such a huge amount of information about the depths of the crisis which was incredible. Twenty, twenty-five percent unemployment, hunger, illegal activities, drug production, drug smuggling. I am sure even the CIA would have been happy to get all this.

He decided to publish his findings, and this was published in one booklet, and we had to recall the booklet, so as not to allow the circulation. But there were about 300 or 400 copies still left at the institute. But the Soviet embassy got a copy and there was a little scandal out of it.

TGW: This was which year?

MS: It was after 1984.

TGW: So a year before [Mikhail] Gorbachev?

MS: Yes. And then of course, we saw what was happening with Gorbachev. This was considered in Hungary as classified information. So it was not allowed to circulate, and it was strictly for the top leadership of the country. But we could not anticipate the way the collapse happened. In these papers, it was often mentioned that if this crisis will not be handled, then within a couple of years the Soviet economy is going to collapse. But we didn't anticipate, and could not anticipate the collapse of the political system. We just thought that the collapse of the Soviet economy will create major problems for the political system. Either there will be major reform or a return of Stalinist type of centralized systems. So this was our alternative—

TGW: Your collective wisdom?

MS: Recommendation or suggestion of what is going to happen there.

TGW: And in 1989, were you surprised?

MS: No, we were not really surprised because we were basically anticipating in the institute what was happening. I tell you another story. In 1988, with a colleague of mine I visited Moscow. And I was giving a lecture there, and after the lecture I was invited by Yevgeni Primakov, who later became—

TGW: The head of IMEMO (The Institute of the World Economy).

MS: No, he was already higher than that, but he was still working in the institute. And then I went to another institute, and the head of the other institute told me, "you know, we have here an American delegation and I was present today with Gorbachev, and there was an interesting discussion. The delegation was headed by [Henry] Kissinger. And there was, I believe an agreement in principle that Hungary could be neutralized, because there are no NATO countries around Hungary, that maybe Hungary

could be a pattern of establishing some form of pluralistic political system, and we will see how a multi-party system of socialist soils can function." And this man also told me that Kissinger asked, "If this would happen in Hungary, would there be a Soviet military intervention, and if the Hungary parties would go farther, would there be a Soviet military intervention?" And Gorbachev said "No, no, no." "So you gave up the Brezhnev Doctrine?," Kissinger asked. And Gorbachev said, "I never believed in the Brezhnev Doctrine."

So, I came back to Hungary, and talked to one of my friends who was occupying a leading position in the Hungarian party leadership that "man, you have been sold out by your Soviet friends to the Americans. There will be a change in Hungary." He didn't believe me, but he still reported it to the top leadership of the party, and in the afternoon at home, I got a phone call. "Did you tell this story to anyone?" "No," I said, "I told only you." "Then don't talk to anyone." Because I spoke to the secretary of the party, Mr. Gross, and he said, "This is just no more than gossip. You academics are gossiping about stupid things, so we don't believe anything of this."

Three years ago, I asked Gorbachev about this: "Well, was it true or not?" Gorbachev was thinking a little bit and he said: "As I recall, I talked to Kissinger. I didn't say we are now neutralizing Hungary and so on, but I talked to Kissinger that in the case of Hungary, where the Kádár regime is popular, where the Socialist Party is strong and has a great popular support, they could easily accept a multi-party system because the Socialists and Kádár would be winning. And I said I never believed in the Brezhnev Doctrine, that I said firmly."

TGW: That was an amazing story!

MS: It was an interesting story. And I looked at the writings of Kissinger. Do I find any trace of this? In his book *Diplomacy* you can find some remarks, but he is not really writing down this story.

TGW: I was going to say that since the end of the Cold War, most analysis has focused on the importance of the end of East-West tensions, the improving prospects for international peace and security through the United Nations. What would you think will be the impact, or has been the impact already, of the end of the Cold War on the United Nation's economic and social and human rights activities?

MS: I think the impact on the UN in general has been, for the time being, more negative than positive. The UN lost that dimension which was the forum for controlled confrontation, and the UN is not an organization which is the best equipped for meaningful cooperation in important areas, except probably helping end humanitarian disasters. But even there, there are civil society organizations which are equally efficient, sometimes more efficient. The UN lost a part of the support which was received during the Cold War period. Why? Because during the Cold War period, the West was pushing human rights, the East was trying to avoid crises, so human rights was a crucially important, political issue within the UN. And this energy was lost. And the idea of humanitarian intervention in order to protect human rights is not really accepted by all the member states, even among the Western countries, not to speak about the developing countries.

As far as development issues were concerned, I think that there is a very interesting period of finding or searching for ways and means, how to deal with these issues. I'm working for a project here among other things, on the so-called sustainable

development issue. It has not received the necessary support as development. The environmental part is much more strongly emphasized than the development part of it. So, while the environmental side is probably there, to what extent the development is sustainable as such, there is a big silence in the best case on the development issue.
So I think that the UN is in a period of interesting transition. It could not digest so far the end of the Cold War in such a way that it, we could say that: "Okay, you found the new task, the new way of handling issues." The efforts of Boutros Boutros-Ghali to formulate *An Agenda for Peace*, *An Agenda for Development*, *An Agenda for Democracy* were efforts to find new ways. But they were not strong enough to get the countries' acceptance and to make the countries do new things even along those lines. And they didn't contain too many new things. *An Agenda for Development* was really a kind of a return of many of the ideas of the New International Economic Order. *An Agenda for Peace*, again, was nothing really exciting, and *An Agenda for Democracy* has been forgotten since then completely. The three are forgotten.

I have read Kofi Annan's Millennium Report, "the freedom from fear, the freedom from want, and so on," again these are nice ways of repeating [Franklin] Roosevelt's ideas of the Four Freedoms that he mentioned but not really containing anything new or original. And it is, I think, very difficult to find anything new or original. I think it will not be possible to implement revolutionary changes in international cooperation after the Cold War period. There has been a new, a brand new, event, the establishment of the World Trade Organization, which is the first post-Cold War international agency, and it shows the attitude of the main powers that it was established outside the UN system. So, maybe there will be more effort to search for

such types of arrangements outside the UN system, and not within the UN system, and externalize certain things from the UN system through different channels and efforts.

Neither the countries nor the UN have clear ideas, how to solve the dilemma of the new role. The more I am looking to this issue, the more I realize that we really don't know what the post-Cold War world is and will be. So we don't have a clear vision what post-Cold War means. Maybe it is my own constraints of understanding things, but I realize that it is a crucial question: What the post-Cold War world will be like, and when we can say that all the consequences of the post-Cold War, of the Cold War are over?

If you are a person who is interested not only in the present or in the near future but in the longer-term, there are so many alternative pathways in the world which can shape this post-Cold War world, as far as power structures are concerned, as far as the problems are concerned, as far as the responses, the capabilities to respond are concerned. So it is very difficult to say how a post-Cold War world will be like, and therefore it is extremely difficult to shape international cooperation, because you have to have a kind of mobile process, changing your own ideas according to the needs and changes.

TGW: Would you say that, in your view, that is the main intellectual challenge the UN or any of us interested in economic and social development in the next ten to fifteen years?

MS: I think the main intellectual challenge is how to keep the world together in this period of time. There has been a very good joke in the good old days of communism about the definition of philosophy. There are five philosophers in a dark room and looking for a black cat which is not even there. And what is Marx's philosophy? The same people, the same non-existent cat, but from time to time, one of them is saying "I

found it, I found it." So, we are in a world of a very similar nature, and in this period of time is not too easy to keep the world together. There is a flourishing profession which is trying to find out what is going to happen. [Samuel] Huntington, *The Clash of Civilizations*, [Francis] Fukuyama, *The End of History*, [Immanuel] Wallerstein, *The Upcoming Global Crisis*, Irving Laslow, the famous Hungarian, *The Coming Age of Mega-Crises*.

So there is the UN, and the UN Secretariat, which has to add its own coins to the fountain in this field. So it is an intellectual challenge for the next ten years, how to keep the world together in an era of different transitions because it is not just one area of transition.

TGW: One last question. You mentioned yesterday that you considered yourself an optimist, and that it was important to be an optimist to work in the UN and on multilateral cooperation. I believe that it was in your book, *The Future of Global Governance*, you wrote that the UN has had a useful and an indispensable role in advancing the interests of humankind. Do you still feel that's the case? And in the future, what kind of operational challenges will the UN have? I mean, obviously it does not have enough resources, so how will it perform the kind of triage to focus on important problems or issues on which it can make a difference?

MS: I am still convinced that there is nothing which could replace the UN, no organization, intergovernmental or non-intergovernmental. And it is a very difficult question what you raise. What should be the operational changes, what should the UN be doing in this period of time, what I think the UN should be? The UN is doing a lot of

things. And if you look at the UN family together, you feel that there is hardly any field in the world where there would not be a family member functioning.

Now the big question is this. Starting let's say from UNICEF. What UNICEF should do in a new era in order to fulfill that mandate which was given to UNICEF, to push probably two things. One is the acceptance of a new attitude to children in the world and the education of children, that they should understand much more clearly their rights and their obligations in the upcoming world. This is one field. The other is helping in emergencies which will be coming up much, much more often.

What I don't know the International Atomic Agency should be doing? Not to let the blessings of nuclear power be lost. At the same time to try to save the world from different nuclear catastrophes.

So each one, if you go through, you can find this type of task. And as far as the United Nations, I mean what we call the UN central system, should be doing, first I think it should not allow the countries to disregard the issues. So how to keep the issues, find a way, how to keep the issues alive. And the issues can be kept alive not only through good agenda settings, but finding those outlets through which the UN can influence the world in more than one channel. The UN should be much, much better in having very close and direct relations with the NGO world. Because I consider the grass roots of global politics as something extremely important, and the NGOs should not be considered only as participants of the strategic conferences as a nice entourage. But the way should be found how to address better, how to have better appeal to the NGO world. This is one important area.

The UN should have much, much more and better access to the media. You know with this UN Foundation money there has been something, but the UN is still very much out of the media and the UN should find ways for this. The UN should have more efficient people working in this information part of the system.

TGW: So the biggest departments have the least impact?

MS: The UN leadership, including Kofi Annan, should be relying much, much more on the so-called middle powers in the world, not only in Europe, but in other parts of the world. He should have much more consultation. Even so, the U.S. is still, and will be for a long time, the most important country, but these countries can have also influence on the American policies and politics.

So there are a number of operational things where things can be probably improving. I don't say that the UN leadership is not aware of all these problems. They are probably as much or more aware as I am; they may not have the energy to do all these things simultaneously. You know there are also UN agencies, which lost their *raison d'être*, which could be merged, and it has been promised already by Boutros Boutros-Ghali to review some of the agencies, but it didn't really happen.

TGW: Is there a question you wished I had asked that you would like to answer?

MS: No, no, no. You have asked all the relevant questions. I gave all the irrelevant answers, so we are through.

TGW: It's been a real pleasure for me to spend these two days with you next to the Danube.

MS: We are really very near the Danube.

TGW: We are very near the Danube. And future historians and analysts will also thank you.

MS: Thank you.

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