

Statement by the Society for International Development

to the

16th session the UNIDO General Conference

Thank you, Mr. President

Distinguished Delegates

Ladies and Gentlemen

The Society for International Development is grateful for being given the opportunity to comment on issues being dealt with at this 16th session of UNIDO's General Conference.

This agenda reflects the renewed appreciation of the centrality of industry in a process of sustainable and inclusive growth. According to the recent Industrial Development Report ***“industrialization is associated with lower levels of poverty, better income distribution and a higher ranking in the Human Development Index”***

Given this centrality of industrialization, it is not just fitting but essential that the need for industrialization was recognized and given its due place among the “Sustainable Development Goals” as they have been defined and approved at the Sustainable Development Summit in September of this Year. Among these seventeen goals, goal **number nine** stipulates the ***“building of resilient infrastructure and the promotion of inclusive and sustainable***

industrialization". UNIDO has been charged with providing assistance in this process and with monitoring the progress being made. We are happy to note that in this context goal number five "Gender equality" will also be addressed and UNIDO has developed a guide for gender mainstreaming in all its programmes and projects. The Society for International Development is convinced that there can be no sustainable development without the empowerment of women. We do appreciate the prominence thus assigned to Vienna based UNIDO.

The latest Industrial Development Report that just had been presented to the General Conference has made abundantly clear the extent to which industrialization has ceased to be an exclusively national preoccupation. It has to be considered in its global context. At least from a certain point on, it is the inclusion in the ***global "Industrial Value Added Chain"*** that has become the main driver of industrial development. UNIDO has justly assigned *South / South and Triangular Industrial Cooperation* a prominent role in connecting the various points of this chain.

We have not yet completely discarded the outmoded concept of assigning the countries of the world to either to the group of "industrial" ones, or to the group of "developing" ones. Yet the border between the two of these groups has become fluid to the point of disappearance:

Just twenty years ago, the so called developed (that is the traditional "non – industrial") countries produced a bit less than a quarter of the manufacturing

value added in the already wealthy countries. In but twenty years that has changed dramatically. By now, the still poorer countries produce more than half of the manufacturing value added in the wealthier countries. Such rapid a change has no precedence in history.

But these overall numbers should not blind us to the sobering fact that not all still poorer countries have managed to profit from industrialization. As UNIDO's Director General Li Yong has warned that while industrialization is crucial to the future of developing countries, it were only a few of them that had been successful in industrializing rapidly .

That is why the Society for International Development appreciates the definite discarding of once common, readymade, "***one size fits all***" approaches to the challenge and to the need of industrialization, and their being supplanted by a **case to case approach**; using *country based partnerships*, with all stake – holders becoming involved; and also using *partnership with private Industry*.

Nonetheless we are also aware that this necessary, pragmatic case to case approach could result in differences in the definition of, and in the weight assigned to, the goal of *environmental sustainability*. That might not just endanger the reaching of common, global goals. In the long run, it might even burden the countries concerned, as they sink, for example, vast amounts of rare capital in *coal - fired generating plants*, that will prove overly expensive once all of their long - term "externalities " were taken into consideration. A

case to case approach thus does not obliterate the need to keep in perspective the goal of environmental sustainability.

The Society for International Development is well aware of the doubts in some countries on the place and role of UNIDO in the context of world – wide development and cooperation. We would invite these countries to a careful reading of the papers for this conference, and last not least to a reading of the “Industrial Development Report”. They are prove of a pragmatic, non ideological, no – blinker approach to the most central challenge facing us as a collective of human beings: how to bridge the global gap in life expectation and well – being; and how to do so by starting and using **the most potent engine for sustainable and inclusive growth: namely industrialization.**