

## Foreword

Since the United Nations Conference on Environment and Development in 1992 and the subsequent World Summit on Sustainable Development in 2002, significant efforts have been made in pursuit of sustainable development. At the September 2005 World Summit, the UN General Assembly reiterated that “sustainable development is a key element of the overarching framework for United Nations activities, in particular for achieving the internationally agreed development goals”, including those contained in the Millennium Declaration and the Johannesburg Plan of Implementation (A/RES/59/227).

The United Nations Commission on Sustainable Development (CSD) will be holding its 15th session in the spring of 2007, focusing on policy options and practical measures to address challenges in the areas of energy for sustainable development, industrial development, air pollution/atmosphere, and climate change. This is clearly a very ambitious agenda and the issues are rather closely interlinked. Yet, the Commission will also need to consider each of these topics on its own terms. In order to inform the discussions on Industrial Development, the Division for Sustainable Development, which acts as Secretariat to the Commission, is publishing this book, which highlights key challenges for developing countries, across different regions and sectors, and how effectively and with what sorts of policies different countries have responded to them. At the same time, the topics addressed in the volume are directly relevant to the preparations for the next two-year cycle, more specifically to the themes “agriculture”, “rural development”, and “Africa”.

The volume begins by examining industrial development as central to the process of structural transformation which characterises economic development. It points to the new challenges and opportunities facing today’s industrialisers as a result of globalization, technological change and new international trade rules. The emergence of Southern multinationals and South-South investment is one new phenomenon explored. The next set of chapters focuses on key sectors with potential for developing countries. Two key themes emerge. First, traditional points of entry for late industrialisers – like textiles and clothing – have become even more intensely competitive than before, calling for innovative adaptive strategies. Second, countries may wish to broaden their development perspective, recognizing that “industry” narrowly defined does not exhaust the opportunities for producing high value added goods and services for international markets. Knowledge intensity is increasing across all spheres of economic activity, including agriculture and services which can offer promising development paths for some developing countries. The final section addresses social and environmental aspects of

industrial development. Much evidence is presented that labour-intensive – but not necessarily other – patterns of industrial development can be highly effective in poverty reduction. A range of policies can promote industrial energy and materials efficiency, often with positive impacts on firms' financial performance as well as the environment. Promoting materials recycling and reuse is found to be an effective if indirect means of conserving energy. Finally, the growth of multinational interest in corporate social responsibility is traced, with consideration given to both the barriers and the opportunities this can pose for developing country enterprises linked to global supply chains.

We hope that this collective effort of staff members and external authors contributes to a successful outcome of CSD-15.

A handwritten signature in black ink, appearing to read 'JoAnne DiSano', with a large, stylized initial 'J'.

JoAnne DiSano  
Director, Division for Sustainable Development