

## **CSD-14**

### **Statement by the Norwegian Delegation**

**4. May 2006**

#### **Industrialization and Poverty**

We need economic growth and profitable production in developing countries to reduce poverty. However, in order to assess the relationship between economic growth and poverty reduction, the quality of the growth and equity issues also matter. Let me draw your attention to the World Development Report of 2006 where this issue is discussed.

Let me also echo the remarks made by the Netherlands on the important issue of women, strengthening women's entrepreneurship, access to credit, micro finance and tenure. We have to turn 'dead' capital into working capital to spur development by formalization of assets.

Inadequate framework conditions are perhaps the greatest barrier to sustainable economic development, and cause foreign capital to flow to other, more predictable markets. Frequent characteristics are inadequate and insecure legal guidelines, an undue degree of bureaucracy that hinders private initiative, corruption and inadequate financial policies. In many countries, potential investors fear that goods and services will not reach the market in time and poor physical infrastructure is still a great problem.

In fact, the lack of reliable and stable electrical power is one of the most important barriers to investment. More than 40% of companies in the Norwegian cooperation countries surveyed report that a lack of reliable and affordable electricity is a barrier for further expansion of their business. Countries need to surmount this kind of barriers to successful commercial and industrial activity.

Finally, we need to focus on the issue of corporate social responsibility – CSR. There is a wide range of voluntary codes of conduct for sustainable development including the UN Global Compact and the Global Reporting Initiative and the OECD Guidelines for Multinational Enterprises. They provide a global framework for responsible business conduct. Norway believes that the CSD 14/15 offer a good opportunity to boost corporate social responsibility.