



## How can we make globalization work for sustainable development?

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Ladies and gentlemen,

1. Allow me at the outset to thank “Amigos de Moçambique” for organizing this important debate on globalization and sustainable development, and for inviting us to share our thoughts on this critical matter.
2. Indeed, the topic "Globalization and sustainable development", is at the top of today's international agenda, covering a wide range of issues, such as, inter alia, trade, development, environment, resources management, development cooperation, international governance. In the current global world, everyone wonder **how can we make globalization work for sustainable development?** In tackling this question, we will focus on the Mozambican/African Case.
3. In addressing this matter, it's fair to briefly recall what we understand by "globalization" by "sustainable development", without getting bogged down on an analytical debate of these two key concepts.
4. Our understanding of "sustainable development" derives from the 1987 UN Commission on Environment and Development report, entitled "Our Common Future", as "a development that meets the needs of the present without compromising the ability of future generations to meet their needs." The report also established that this requirement applies not only to environmental policies, but also to economic and social policies as well, approach that is fully embodied in the Agenda 21.
5. The term "globalization" is even younger than "sustainable development", at least in *daily* discourse on international affairs. In the *economic* sphere, "globalization" refers to the growing integration of the global economy, which is being brought about by incessant flows of goods and services, capital, technology and information across national borders. In its *wider sense*, globalization is not only about economic processes. It also covers the increasing cross-border contacts in other spheres, including the exchange of ideas, knowledge and cultural manifestations.
6. Globalization entails challenges, opportunities and realities. Nevertheless, to my mind, globalization is first and foremost *a continuation*, a continuation of the historical process of internationalization, which has increased the economic, social, environmental – and political – interdependence of countries. Indeed, the key characteristic of our globalized world is interdependence: "*Your problem becomes my*

*problem. One country's war becomes another country's asylum seekers. One country's pollution becomes another country's floods".* However, the impact of globalization varies tremendously within and between countries and continents.

### **Poverty, globalization and sustainable development in Africa/Mozambique**

7. Any debate on globalization and sustainable development in Africa will have to deal with the prevalence of widespread poverty in the continent. Poverty eradication is by far the greatest global challenge facing the world today. More than 1 billion people live in absolute poverty, that is: on less than one dollar a day. 15% of the world's population account for 56% of total consumption, while the poorest 40% have to make do with a mere 11 % of the global pie.
8. The situation is particularly difficult in Sub-Saharan Africa, where the impact of globalization has been rather severe: In fact, the figures are quite telling: While most people have experienced growth in consumption in recent years, the consumption expenditure of the average African household is 20% less than it was 25 years ago. While the overall poverty rate in developing countries declined during the 1990s, the number of poor has increased substantially in Sub-Saharan Africa, where almost half of the population now lives in poverty.
9. In Mozambique also the situation is quite disturbing with almost 70% of the population living in absolute poverty. Given this scenario, globalization overall seems to be resulting in more hardship for Africans, few benefits and further marginalization of the continent, rather than inclusion in the global economy.
10. Eradication of poverty therefore becomes an absolute requirement for sustainable development, and globalization is required to play a role towards that end. However, despite broad agreement that poverty reduction and better environmental management are essential components of development, it is apparent that the international community has not been able, so far, to translate this agreement into deeds.

### **Tackling Poverty**

11. At the 2000 Millennium Summit, the UN member states adopted a set of global development goals, known as the Millennium Development Goals (MDGs). By adopting these goals, we committed ourselves to halving world poverty by 2015, through concerted global action. That can only be achieved through a holistic framework of global development cooperation and partnership, in which recipient countries are in the driving seat, with full ownership of their development strategies and processes, and donor countries play an effective supportive role.
12. This new reality is gaining shape in the world. At the continental level, Africans are now taking charge of their destiny as there is a growing consensus that development cannot be imposed from outside. Rather, it should be homegrown, owned and directed by African countries themselves, and reflecting the broad needs and aspirations of their societies.
13. In this connection, the New Partnership for African Development (NEPAD) constitutes the African answer to the problems faced by the continent, and the African strategy for sustainable development. Based on the principle of national ownership,

the NEPAD aims at setting an agenda to renew the continent by capturing national and regional priorities and development plans, through a participatory process and new framework for interaction and partnership with the rest of the world. We hope that the response NEPAD has been receiving from our development partners is strengthened and furthered, to allow the operationalization of NEPAD.

14. At the national level, Mozambique has been implementing her own strategy for poverty eradication and sustainable development, commonly known as PARPA (*Action Plan for the Reduction of Absolute Poverty 2001-2005*). The central objective of the PARPA is a substantial reduction in the levels of absolute poverty in Mozambique through the adoption of measures to improve the capacities of, and the opportunities available to all Mozambicans, especially the poor. The specific objective is the reduction of the incidence of absolute poverty from 70% in 1997 to less than 60% by 2005 and less than 50% by the end of this decade.
15. However, it's important to point out that despite the overall negative consequences of globalization in Africa, represented by the prevalence of absolute poverty in Africa in general and Mozambique in particular, our country has been making impressive strides towards sustainable development. In fact, Mozambique has been recording extraordinary rates of GDP growth for the last 5 years, coupled with macroeconomic stability, low inflation and an ultimate sound and conducive socio-economic and political environment for business.
16. As a result of these positive developments, Mozambique has been rather successful in attracting investments into the country. For example, we have been able to secure investments for an aluminum smelter (MOZAL) worth over \$ 2 billion, a natural gas pipeline running to South Africa worth around \$ 1.2 billion, and other major investment projects such as heavy sands, the development corridors of Maputo, Beira and Nampula, just to mention a few. These major achievements clearly show that despite the difficult period we find ourselves in, Mozambique has been able to present itself as a viable destination for investments. Of course this is quite an encouraging development that hopefully will have a multiplying effect.

### **What needs to be done: Managing Globalization**

17. We recognize that the responsibility of pursuing sustainable development remains with the country itself. However, it's also true that poverty eradication and sustainable development will remain a distant dream for poor countries if adequate resources and a conducive international environment are not provided to them. International assistance is thus critical not only financially but also in devising global rules that meet the special needs of developing countries, in order to allow them to realize their potential for contributing to the global economy. This is particularly necessary in the area of trade.
18. In order to be relevant in an ever more global economy, the world trading system has to respond to *new* challenges, particularly the integration of developing countries into that arrangement. The success or failure of trade initiatives such as the EPAs, Everything but arms initiatives, AGOA and the outcome of the ongoing WTO negotiations, will be judged by its ability to effectively deliver development in poor countries, through trade gains.

19. Looking at its overall consequences in Africa and in developing countries, we could be tempted to believe that globalization is an evil. However, the devil in globalization lies in its management. Here, we should reject the notion that globalization is a tremendous force powered by market invisible forces. Yes, globalization can and should be managed, to ensure that its challenges, opportunities and benefits are shared in an equitable manner.
20. Those who are now reaping the lions share of the benefits should understand that it's in their interest to harness and steer globalization in such a way that other countries, specially developing ones, are allowing to board the globalization train and enjoy its benefits. They must understand that the current pattern of globalization is unsustainable and will lead us to major crisis, as the consequences of increased inequalities and suffering spread all over the world.
21. Harnessing globalization to give it a human face requires improved international cooperation not withdrawal and isolation. We just have to recognize that we depend on each other and that there is no real alternative to multilateral solutions, based on a true sense of partnership. Managing globalization entails strengthening global governance, to ensure that we do embark in partnerships aimed at win-win outcomes. If we succeed in conducting a global governance system based on win-win results, we will be making a significant contribution towards making globalization work for sustainable development.

Thank you for your attention.