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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

Entrepreneurship as a means of attracting
non-debt-creating flows of capital

Note by the Secretariat

1. By its decision 1990/265 of 26 July 1990, the Economic and Social Council recommended that the General Assembly consider and take appropriate action on a draft resolution annexed thereto, entitled "Entrepreneurship as a means of attracting non-debt-creating flows of capital". The text of the draft resolution is reproduced below.

The Economic and Social Council,

Recalling General Assembly resolution 41/182 of 8 December 1986 on indigenous entrepreneurs in economic development and taking note of the report of the Secretary-General on national entrepreneurs in economic development (A/45/292-E/1990/82),

Recognizing that each country is responsible for its own economic policies for development and that the promotion of growth and development depends on appropriate domestic economic policies and a supportive international economic environment,

Acknowledging the need for effective and responsible governance for setting and implementing each country's national goals in the political, social and economic spheres,

Aware that as the world changes economically, societies must respond positively,

* Reissued for technical reasons.

Appreciating that political pluralism and market-oriented economies together provide the optimal flexibility in responding to change in order to provide just and equal opportunities to all peoples to enable them to develop their full potential,

Noting the importance and relevance of private enterprise in the growth and development of countries and the need to provide the necessary incentives and environment to enable the spirit of entrepreneurship and competition to prosper,

Aware that higher domestic savings and inflows of capital, including new investment and the return of flight capital, depend upon free enterprise, a key component of which is entrepreneurship,

Realizing that capital secured by entrepreneurs from investors adds to the non-debt-creating flows of capital within the economy,

1. Encourages the development of entrepreneurship in societies seeking to develop or recuperate their economic vitality through free enterprise and market opportunities;
2. Agrees that entrepreneurship, in the context of a competitive market economy and supportive governmental policies, attracts non-debt-creating flows of private capital within and between countries and enhances the internationalization of financial markets and a more integrated world economy;
3. Urges States to enhance their legal and regulatory frameworks and to make more efficient their capital and credit markets to provide for sound private sector development and its positive benefits for employment opportunities and national wealth;
4. Looks forward to the meeting of the Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund on the Transfer of Real Resources to Developing Countries, to be held in September 1990, in particular the deliberations on the issue of giving higher priority to private sector development, including the mobilization of domestic and foreign private capital, and institutionalizing this priority across the entire range of Bank operations;
5. Requests the Secretary-General to incorporate in future issues of the World Economic Survey a chapter on the role of entrepreneurship as a key element of growth and development;
6. Requests the Secretary-General to study measures at the national and international levels to promote the contribution of entrepreneurship to societies seeking to develop or regain their economic vitality through free enterprise and market opportunities, drawing upon the work already in progress in the United Nations system and bearing in mind the need to avoid duplication of effort and cost, and to report thereon to the General Assembly at its forty-sixth session through the Economic and Social Council.