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# DEVELOPMENT AND INTERNATIONAL ECONOMIC COOPERATION: ENTREPRENEURSHIP

# Report of the Second Committee (Part XI)\*

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## I. INTRODUCTION

1. The Second Committee held a substantive debate on item 77 (see  $\lambda/46/645$ , para. 2). Action to be taken on sub-item (i) was considered at the 28th and 58th meetings, on 1 November and 11 December 1991. An account of the Committee's consideration of the sub-item is contained in the relevant summary records ( $\lambda/C.2/46/SR.28$  and 58).

#### II. CONSIDERATION OF PROPOSALS

## A. Draft resolutions A/C.2/46/L.25 and Rev.1 and Rev.2

2. At the 28th meeting, on 1 November, the representative of the United States of America, on behalf of <u>Austria</u>, <u>Belgium</u>, <u>Bulgaria</u>, <u>Canada</u>, <u>Czechoslovakia</u>, <u>Denmark</u>, <u>El Salvador</u>, <u>Finland</u>, <u>France</u>, <u>Germany</u>, <u>Greece</u>, <u>Honduras</u>, <u>Hungary</u>, <u>Iceland</u>, <u>Ireland</u>, <u>Italy</u>, <u>Liechtenstein</u>, <u>Luxembourg</u>, <u>Mongolia</u>, <u>Morocco</u>, the <u>Netherlands</u>, <u>New Zealand</u>, <u>Norway</u>, <u>Foland</u>, <u>Portugal</u>, <u>Romania</u>, <u>Spain</u>, <u>Sweden</u>, <u>Turkey</u>, <u>Ukraine</u>, the <u>United</u> Socialist <u>Republics</u>, the <u>United Kingdom of Great Britain and Northorn Ireland</u> and the <u>United States of America</u>, introduced a draft resolution (A/C.2/46/L.25) entitled "Entrepreneurship". Subsequently, <u>Albania</u>, <u>Argentina</u>, <u>Australia</u>,

<sup>\*</sup> The report of the Committee on this item will be issued in 12 parts (see also A/46/645/Add.1-11).

Estonia, Israel, Japan, Latvia, Lithuania, the Republic of Korea, Ukraine and Yugoslavia joined in sponsoring the draft resolution, which read as follows:

"The General Assembly,

"<u>Reaffirming</u> its resolution 45/188 of 21 December 1990 and taking note of section IV of the report of the Director-General for Development and International Economic Cooperation on operational activities for development, 1/

"Taking note of decision 91/11 of 25 June 1991 of the Governing Council of the United Nations Development Programme, 2/ in which the Council requested the Administrator to report to it on the involvement and comparative advantages of the Programme in the area of the private sector,

"Acknowledging that the promotion of entrepreneurship and the encouragement of the private sector are essential to the promotion of a country's economic development, and acknowledging further the importance of an efficient public sector in creating and maintaining a conducive framework for development,

"Acknowledging also the importance of effective, efficient and accountable governance in all countries for setting and implementing national goals in the economic and social spheres,

"Recognizing the important role that technical assistance can play in assisting Governments to develop and revitalize their economies through free enterprise, competitive markets and entrepreneurship, in accordance with their policy objectives,

"<u>Aware</u> of the central funding role of the United Nations Development Programme and the integrated approach it adopts in programming assistance to Governments in response to their national development priorities,

"<u>Considering</u> the need for improved collaboration among relevant United Nations organs, organizations and bodies in order to make the best use of resources in promoting entrepreneurship, particularly at the country level,

"1. <u>Welcomes</u> the activities being undertaken by various organs, organizations and bodies of the United Nations system to promote entrepreneurship in economic development, and expresses its

1/ A/46/206-E/1991/93.

2/ Official Records of the Economic and Social Council, 1991, Supplement No. 13 (E/1991/34), annex I.

appreciation to the Director-General for Development and International Economic Cooperation for the useful information on those activities, as contained in his annual report on operational activities of the United Nations system;  $\underline{3}/$ 

"2. <u>Takes note with appreciation</u> of the establishment by the United Nations Development Programme of a new Division for the Private Sector;

"3. <u>Requests</u> the organs, organizations and bodies of the United Nations system, as appropriate, to strengthen their activities for promoting entrepreneurship, including the provision of technical assistance within existing resources to interested countries;

"4. <u>Takes note with appreciation</u> that the Governing Council of the United Nations Development Programme has already allocated some resources, including Special Programme Resources, for promoting the private sector and entrepreneurship during the fifth programming cycle;

"5. <u>Requests also</u> the organs, organizations, and bodies of the United Nations system, as appropriate, to strengthen their communication and coordination in order to increase the effectiveness and efficiency of their activities related to the promotion of entrepreneurship and the development of the private sector in interested countries, and in particular requests the Director-General for Development and International Economic Cooperation to give due attention and focus to the coordination of the activities of the United Nations system in promoting entrepreneurship, in the context of its human resource development efforts, through existing bodies, in particular through the Division for the Private Sector of the United Nations Development Programme;

"6. <u>Requests</u> the Director-General for Development and International Economic Cooperation to continue to include, on a biennial basis, in his annual report on operational activities for development, pertinent information on the activities being undertaken by the United Nations system to promote entrepreneurship in economic development, notably in small- and medium-sized enterprises;

"7. <u>Requests</u> the Secretary-General to submit to the General Assembly at its forty-eighth session, on the basis of consultations with Member States and appropriate international organizations, recommendations for action for the United Nations system on the ways and means for the system to strengthen its private sector dimensions, as well as to enhance system-wide coordination in that field in order to contribute to the encouragement of entrepreneurship and the development of the private sector, in particular in developing countries and countries in transition;

3/ A/46/206/Add.2.

> "8. <u>Also requests</u> the Secretary-General to intensify research activities on the role of entrepreneurship, notably in small- and medium-sized enterprises, in promoting economic growth and to include, on an annual basis, pertinent findings in the <u>World Economic Survey</u>."

3. On 26 November, a revised draft resolution (A/C.2/46/L.25/Rev.1) was submitted by the sponsors of draft resolution A/C.2/46/L.25, as well as <u>Peru</u>, <u>Samoa, Singapore</u>, and <u>Uruguay</u>. Subsequently, <u>Belarus</u>, <u>Guatemala</u>, <u>Cape Verde</u> and the <u>Philippines</u> joined in sponsoring the revised draft resolution, which read as follows:

"The General Assembly,

"<u>Reaffirming</u> its resolution 45/188 of 21 December 1990 and taking note of section IV of the report of the Director-General for Development and International Economic Cooperation on operational activities for development,  $\frac{4}{7}$ 

"Recalling its resolution 44/211 of 22 December 1989,

"Taking note of decision 91/11 of 25 June 1991 of the Governing Council of the United Nations Development Programme, 5/

"1. <u>Welcomes</u> the activities being undertaken by various organs, organisations and bodies of the United Nations system to promote entrepreneurship in economic development, and expresses its appreciation to the Director-General for Development and International Economic Cooperation for the information on those activities, as contained in his annual report on operational activities of the United Nations system; <u>6</u>/

"2. Takes note of the establishment by the United Nations Development Programme of a new Division for the Private Sector in Development, and of the fact that the Governing Council of the Programme has already allocated some resources, including Special Programme Resources, for promoting the private sector during the fifth programming cycle;

"3. <u>Recognizes</u> the important role that technical assistance can play in assisting Governments to develop and revitalize their economies through free enterprise, competitive markets and entrepreneurship and by

4/ A/46/206.

5/ Official Records of the Economic and Social Council, 1991, Supplement No. 13 (E/1991/34), annex I.

6/ A/46/206/Add.2.

strengthening the efficiency of the public sector in accordance with their national conditions and development priorities, and takes account of the central funding role of the United Nations Development Programme in programming assistance to Governments in response to those national conditions and development priorities;

"4. <u>Also recognizes</u> the need for improved collaboration among relevant United Nations organs, organizations and bodies in order to make the best use of resources in promoting entrepreneurship, in particular at the country level;

"5. <u>Requests</u> the organs, organizations and bodies of the United Nations system, as appropriate, to improve further the efficiency of their activities for promoting entrepreneurship, including the provision of technical assistance to interested countries, thereby attracting adequate resources;

"6. <u>Also requests</u> the organs, organizations, and bodies of the United Nations system, as appropriate, to increase the effectiveness and efficiency of their activities related to the promotion of entrepreneurship, in particular through private sector development, in interested countries, by promoting small and medium-sized enterprises, as well as cooperatives, and by exploring ways and means for supporting the incorporation of informal sectors into the formal economy and the development of more efficient and effective public enterprises by promoting, where appropriate, market-oriented approaches to their operation;

"7. Further requests the organs, organisations and bodies of the United Nations system, as appropriate, to strengthen their communication and cooperation, and invites the Director-General for Development and International Economic Cooperation to give due attention and focus to the coordination of the activities of the United Nations system in supporting formal and informal entrepreneurship activities, as appropriate, in the context of its human resources development efforts, through relevant existing organs, organizations and bodies of the United Nations system, including the Division for the Private Sector in Development of the United Nations Development Programme;

"8. <u>Requests</u> the Director-General for Development and International Economic Cooperation to continue to include, on a biennial basis, in his annual report on operational activities for development, pertinent information on the activities being undertaken by the United Nations system to promote entrepreneurship;

"9. <u>Recognizes</u> the vital role of the public sector in creating a favourable and stable environment for the promotion of entrepreneurship;

"10. <u>Calls upon</u> the organs, organizations and bodies of the United Nations system, as appropriate, through their promotion of entrepreneurship, to continue to support, when requested, interested countries' efforts, <u>inter alia</u>, to decentralize economic decision-making, adjust economic structures through market-oriented reforms, deregulate and demonopolize economic activities, privatize, and create new market opportunities;

'11. <u>Requests</u> the Secretary-General to make qualitative improvements in research activities on entrepreneurship, notably in small and medium-sized enterprises, in promoting economic growth and to include pertinent findings in the <u>World Economic Survey</u>;

"12. <u>Also requests</u> the Secretary-General to submit to the General Assembly at its forty-eighth session, on the basis of consultations with Member States and appropriate international organizations, recommendations for action for the United Nations system in support of entrepreneurship, in particular through private sector development, in interested countries, and to include the role of women in entrepreneurship, the environmental aspects of private sector activities and the impact of the international economic environment on efforts to promote entrepreneurship."

4. At the 58th meeting, on 11 December, the Vice-Chairman of the Committee, Mr. Ioan Barac (Romania), informed the Committee of the results of the informal consultations held on the draft resolution and drew its attention to a further revised draft resolution (A/C.2/46/L.25/Rev.2) submitted by the sponsors of A/C.2/46/L.25/Rev.1, which he orally revised by inserting the words ", as adopted," after the words "45/188 of 21 December 1990" in the first preambular paragraph.

5. At the same meeting, the Committee adopted draft resolution A/C.2/46/L.25/Rev.2, as orally revised, without a vote (see para. 7).

6. After the adoption of the draft resolution, statements were made by the representatives of Cuba and Peru (see  $\lambda/C.2/46/SR.58$ ).

# III. RECOMMENDATION OF THE SECOND COMMITTEE

7. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

## Entrepreneurship

#### The General Assembly,

<u>Reaffirming</u> its resolution 45/188 of 21 December 1990, as adopted, and taking note of section IV of the report of the Director-General for

Development and International Economic Cooperation on operational activities for development,  $\underline{7}/$ 

Recalling its resolution 44/211 of 22 December 1989,

Taking note of decision 91/11 of 25 June 1991 of the Governing Council of the United Nations Development Programme,  $\frac{8}{2}$ 

1. <u>Welcomes</u> the activities being undertaken by various organs, organizations and bodies of the United Nations system to promote entrepreneurship in economic development, and expresses its appreciation to the Director-General for Development and International Economic Cooperation for the information on those activities, as contained in his annual report on operational activities of the United Nations system; <u>9</u>/

2. <u>Takes note</u> of the establishment by the United Nations Development Programme of a new Division for the Private Sector in Development, and of the fact that the Governing Council of the Programme has already allocated some resources, including Special Programme Resources, for promoting the private sector during the fifth programming cycle;

3. <u>Recognizes</u> the important role that technical assistance can play in assisting Governments to develop and revitalize their economies through free enterprise, competitive markets and entrepreneurship and by strengthening the efficiency of the public sector in accordance with their national conditions and development priorities, and takes account of the central funding role of the United Nations Development Programme 1 programming assistance to Governments in response to those national conditions and development priorities;

4. <u>Also recognizes</u> the need for improved collaboration among relevant United Nations organs, organizations and bodies in order to make the best use of resources in promoting entrepreneurship, in particular at the country level;

5. <u>Requests</u> the organs, organizations and bodies of the United Nations system, as appropriate, to improve further the efficiency of their activities for promoting entrepreneurship, including the provision of technical assistance to interested countries, thereby attracting adequate resources;

6. <u>Also requests</u> the organs, organizations and bodies of the United Nations system, as appropriate, to increase the effectiveness and efficiency

<u>8</u>/ See Official Records of the Economic and Social Council, 1991, Supplement No. 13 (E/1991/34), annex I.

9/ A/46/206/Add.2-E/1991/93/Add.2.

<sup>&</sup>lt;u>7</u>/ See A/46/206-E/1991/93.

of their activities related to the promotion of entrepreneurship, in particular through private sector development, in interested countries, by promoting small and medium-sized enterprises as well as cooperatives and by exploring ways and means for supporting the incorporation of informal sectors into the formal economy and the development of more efficient and effective public enterprises by promoting, where appropriate, market-oriented approaches to their operation;

7. Further requests the organs, organizations and bodies of the United Nations system, as appropriate, to strengthen their communication and cooperation, and invites the Director-General for Development and International Economic Cooperation to give due attention and focus to the coordination of the activities of the United Nations system in supporting formal and informal entrepreneurship activities, as appropriate, in the context of its human resources development efforts, through relevant existing organs, organizations and bodies of the United Nations system, including the Division for the Private Sector in Development of the United Nations Development Programme;

8. <u>Requests</u> the Director-General for Development and International Economic Cooperation to continue to include, on a biennial basis, in his annual report on operational activities for development, pertinent information on the activities being undertaken by the United Nations system to promote entrepreneurship;

9. <u>Recognizes</u> the vital role of the public sector in creating a favourable and stable environment for the promotion of entrepreneurship;

10. <u>Calls upon</u> the organs, organizations and bodies of the United Nations system, as appropriate, to promote entrepreneurship, when requested, by supporting the national efforts of countries and the measures they may adopt through market-oriented approaches to further entrepreneurship development and to help overcome the constraints they may face in this regard;

11. <u>Requests</u> the Secretary-General to make qualitative improvements in research activities on entrepreneurship, notably in small and medium-sized enterprises and cooperatives, in promoting economic growth and to include pertinent findings in the <u>World Economic Survey</u>;

12. <u>Also requests</u> the Secretary-General to submit to the General Assembly at its forty-eighth session, on the basis of consultations with Member States and appropriate international organizations, recommendations for action by the United Nations system in support of entrepreneurship, in particular through private sector development, in interested countries, and to include the role of women in entrepreneurship, the environmental aspects of private sector activities and the impact of the international economic environment on efforts to promote entrepreneurship.

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