



## **G20 Young Entrepreneurs' Alliance 2018 Buenos Aires Communiqué**

***Signed and released at the 2018 G20 YEA Summit in Buenos Aires, Argentina (September 21, 2018)***

Young entrepreneurs from across G20 countries call upon the leaders of G20 nations to embrace the transformative potential of entrepreneurship as an important route to attain the G20's goals of strong, sustainable and balanced global economic growth.

Since our 2017 Berlin G20 YEA Summit, we have watched with growing concern the rise of nationalist and protectionist political movements. We are in the early stages of a trade war which, if allowed to continue, could erode the principles of economic freedom, mobility and a rules-based international order that have provided certainty to established businesses and entrepreneurs alike and have driven decades of global growth. If we turn our backs on policies that encourage the open, dynamic and interconnected economies of the future, we will be negating the very principles upon which the G20 is based and will be denying opportunity to billions of people around the world. Accordingly, the world's young entrepreneurs call upon G20 leaders to renew their commitment to free, open and fair trade, more open borders and an international rules-based framework that will foster the growth and economic inclusion.

We are living in an era where the knowledge economy, driven by human capital, free circulation of ideas and cooperative networks based on trust, is becoming the critical force behind socio-economic development and growth. Entrepreneurship is a key driver of the knowledge economy and G20 countries need to create conditions conducive to widespread, high quality entrepreneurial initiatives, especially among young people.

With this in mind, the G20 YEA has developed actionable recommendations for consideration by G20 governments in three priority areas: quality education, international mobility and smart taxation. Aligning with the G20 Argentina priorities of The Future of Work and Infrastructure for Development, these recommendations also complement the B20 policy recommendations to the G20 in the areas of Employment and Education and SMEs. The G20 YEA was proud to play a role in developing B20 recommendations as part of our partnership with these B20 task forces and endorses their outcomes.

### **Recommendations in G20 YEA priority areas chosen in G20 YEA 2017 Berlin Summit:**

#### **1. Quality Education**

Quality of entrepreneurial initiative in a knowledge economy is to a large degree determined by quality, inclusiveness and accessibility of education. Conventional educational systems need to change, in order to respond to the growing skills and knowledge gap, to ensure social mobility and access to opportunity for all social classes and demographic groups, and to provide for the expansion of innovation and adequate talent base.

Accordingly, we call upon G20 Governments to implement the following education policies:

- Promote project-based approaches in education that will foster intellectual freedom and initiative and develop such important skills and abilities as critical thinking, creativity, problem-solving, handling complexity, collaboration and communication with others;
- Strengthen relationship of education and R&D with existing companies and organizations through applied student research, joint participation of professors and students in business projects and start-ups, and formation of professional networks of entrepreneurs, experts, educators, students;

- Foster culture of cooperation and trust by augmenting professional knowledge and skills of students with broader cultural values and ethical competency that can be gained through study of humanities and interaction with experienced people in diverse educational and social settings.
- Provide for acquisition of innovation and entrepreneurial skills by all students through promotion of an entrepreneurial culture through all layers of the education system, development of standardized enterprise programs (using both offline and online tools), targeted incentives for cooperation between education providers and businesses, support of creation of specialized business and social networks (local and international) of entrepreneurs, students, professionals, and educators; and
- Expand work-based learning systems such as internships, apprenticeships/cooperative work placements and vocational training, both in scope and in depth, to include applied research and PhD projects, and special incentives to encourage the engagement of SMEs.

## **2. International Mobility**

A growing global economy requires free mobility of its main job creators – its entrepreneurs. The G20 YEA re-iterates its call upon G20 governments to establish a G20-wide Young Entrepreneur Visa Program that would provide multi-entry visas and administrative simplification for young entrepreneurs.

Short of this single unifying scheme, the G20 YEA calls upon governments to expand upon existing youth mobility agreements and business visitor programs to include young entrepreneurs; and create or upgrade national entrepreneur visa schemes to better accommodate young entrepreneurs using the newly developed G20 YEA Guiding Principles, which directly respond to insufficiencies in existing policies and identify key considerations to aide in the creation of new programs, including:

- Develop an intelligent assessment process that is informed by industry professionals: reconsider arbitrary requirements that effectively discriminate against young adults, such as a minimum capital requirement, in favour of discretion to review an application in its totality.
- Give careful consideration to restrictions on activity and required milestones for success: measures of success, to be determined in partnership with industry bodies, should strive to be multi-dimensional and reflect aspects of a broader national goal.
- Provide an infrastructure that supports visa-holders and allows for monitoring: support infrastructure for visa-holders such as a migrant entrepreneur hub can support entrepreneurial success while doubling as a monitoring system.
- Reduce the administrative burden associated with the submission of applications to ensure timely access to market opportunities.

## **3. Taxation**

Young and emerging entrepreneurs require predictable and simple tax rules to incorporate them into the formal economy and to encourage startups, investment and growth. Accordingly, we call on G20 governments to enact the following entrepreneur-friendly taxation measures:

- Introduce turnover-based thresholds for indirect taxation of entrepreneurs/SMEs;
- Simplify and digitize tax compliance process. Create a simplified tax compliance regime for young entrepreneurs' businesses that would allow cash rather than accrual accounting for both revenues and expenses and ensure there is no need to keep separate tax and accounting books. Tax education and compliance can be supported by the use of digital technologies to create simpler platforms for tax compliance (including block-chain, RPA, AI , autofill and automatic reporting)
- Implement taxation policies to support equity-based remuneration. Encourage initiatives that exempt individuals from capital gains or other similar taxed on equity sold, if the equity was issued when the firm was below a certain revenue cap that would be determined at the discretion of each G20 country.

**New areas of focus:**

1. Promote sustainable development. We believe that the impact of innovation and digitalization of products and services is largely positive, despite the criticalities of the current global context. It is possible to find ways to ensure a more sustainable and inclusive world, exploring and adopting new business models. We call on G20 governments:
  - a. to develop more incisive and coordinated guidelines at international level in order to ensure a clear governance process and encourage private investment, supporting businesses that want to undertake a path of sustainability;
  - b. to cooperate with enterprises in order to promote new business models aimed at creating a fairer future, favoring access to credit for those enterprises that work to obtain a positive impact on their workers, customers, community and environment;
  - c. to encourage and sustain the adoption of full lifecycle assessment for the evaluation of products and technologies through fiscal incentives, considering the entire value chain starting from the management of the stock of resources necessary for the production and including the management of the second life of products, from a circular economy perspective.
2. Support inclusive entrepreneurship, including promotion of women and those traditionally excluded from entrepreneurial opportunities. Women entrepreneurs play a critical role in economic development by creating jobs and boosting growth, yet they face more challenges than their male counterparts. The women Entrepreneurs Finance Initiative and its Facility, which G20 Countries and other donors have committed to investing 1 billion dollars, has to be updated and reinforced and can be expanded to support others who may have been historically excluded from entrepreneurship.
3. Promote networks. We call on G20 governments to promote a young entrepreneur "business Erasmus" by creating a platform within the G20 countries to promote and facilitate entrepreneurship. Within this network, young entrepreneurs should be supported to travel across borders to gain entrepreneurship skills as well as digital, legal and ethical competency.

On behalf of young entrepreneurs in G20 countries, we submit these recommendations in the spirit of cooperation and in a firm belief that encouraging entrepreneurship across societies will lead to sustainable and inclusive economic and social growth. Specifically, we believe immediate commitments in the area of education, taxation and mobility as spelled out in this communiqué can send a powerful message to those within our societies who can lead this effort - our young entrepreneurs.

**About the G20 Young Entrepreneurs' Alliance (G20 YEA)**

The G20 Young Entrepreneurs' Alliance (G20YEA) brings together organizations from across the jurisdictions of the G20 that promote youth entrepreneurship as a driver of economic renewal, job creation, innovation and social change. Each year, the G20YEA brings together hundreds of the world's top young entrepreneurs to share their ideas with the B20 and G20 leaders.

Members of the G20 Young Entrepreneur Alliance:

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