

2014 G20 Young Entrepreneurs Alliance Communiqué

Global structural unemployment is a crisis that disproportionately harms young people. Measures to increase youth employment and promote entrepreneurship will increase medium to long-term trend growth and productivity, thus reducing social risks. The nations of the world would improve the return on investment in education by reducing work skills mismatches.

The G20 YEA continues to endorse the G20's call for specific, actionable recommendations to increase growth.

The young entrepreneurs of the world gathered at the Sydney G20 YEA Summit support the Australian G20 priorities on private sector led growth and greater resilience of the world economy. We call on the G20 Leaders, Finance Ministers and Central Bank Governors to focus on entrepreneurship and agree to implement policies, legislation and incentives for ecosystems that support start-ups and sustainable high growth^[1] entrepreneurial SMEs, young entrepreneurs and enhance private sector led growth.

This agreement should commit to eight specific actions to underpin the pillars of building entrepreneurship ecosystems.

1. Reform global financial system to provide Investment & access to Capital

Facilitate the development of a methodology for financial institutions to provide affordable finance to SMEs, which should be accompanied by learning programs.

Develop regulations to accommodate the development of new innovative forms of financing including online cross-border platforms and networks of investors and entrepreneurs, such as crowd sourced equity funding.

2. Education, training and business links

Promote close cooperation between the business and education sector to better link educational pathways with labour market needs and address the skills mismatch, with renewed focus on STEM (science, technology, engineering and mathematics) education.

3. Entrepreneurship Culture

Install experiential entrepreneurship education programs in all layers of the education system with a focus on gender equality, values, ethics and business morals.

4. Innovation & Technology

Implement or expand legislation that incentivizes the commercialisation of innovation and new technology. Incentivise programs that connect research, development and commercialization organisations with entrepreneurs and SMEs.

5. Regulation and strengthening tax systems

Reduce regulatory and tax burden on labour for both employers and employees as well as reduce tax and regulations for creation of new companies.

6. Trade & Globalization

Create a G20 multilateral start-up visa to improve the ability of entrepreneurs to travel and conduct business internationally, and to increase labour mobility by allowing high and sustainable growth SMEs to hire overseas skilled labour more easily.

7. Attracting Private Infrastructure Investment

Ensure that government procurement processes are made more open to small businesses owned by young entrepreneurs.

8. Empower Development

Support the United Nations and ensure there is a major goal in the UN post 2015 development agenda on youth employment and entrepreneurship, especially young women. [2]

The G20 Young Entrepreneurs' Alliance (G20 YEA) is a collective of leading entrepreneurship NGOs representing over 500,000 young entrepreneurs across G20 countries and the European Union. The G20

YEA members have already created an estimated 10 million jobs. G20 YEA is building on partnerships and collaboration with governmental, business and civil society stakeholders such as the OECD, ILO, UN Millennium Campaign, B20, Y20, EY, Accenture and all official G20 engagement groups. In 2014 over 400 young entrepreneurs and leaders from all G20 countries and 14 observer nations, selected to represent the voice of the world's future business leaders, attended the G20 YEA Summit in Sydney from 18th July.

The 2014 G20 YEA Summit built upon the dialogue between young entrepreneurs that began in Italy (at the G8), and continued at the G20 YEA Summits in Canada, France, Mexico and Russia, resulting in the G20's recognition of the need for a special focus on youth entrepreneurship in the B20 communiqué and the 2013 G20 leaders' declaration. The Australian G20 YEA Summit aims to ensure that the ideas of young entrepreneurs adopted by G20 leaders in 2013 will not remain merely a statement, and that the world will witness concrete actions taken towards their institutionalisation.

Investment in small and medium enterprises (SMEs) and young entrepreneurs is essential for the G20 countries to meet and exceed the additional 2% increase in global GDP agreed in the Finance Minister's declaration of February 2014, under Australia's 2014 G20 chair. Youth unemployment in the US and Canada is equivalent to 0.6% of GDP, and over the next 18 years as a result of scarring (lost future earnings due to current unemployment) lost GDP will be 1.3%^[3]. In 2014, B20 Australia has presented that the economic opportunity in Europe's unemployed youth is a potential value of €153 billion per annum, or 1.2% of European GDP^[4].

“The top 5% of all companies analysed (in terms of job creation) contributed to 72% of their countries' aggregate total revenue and to 67% of total jobs. These companies are characterized for being young and presenting high rates of growth” ^[5]

The Moscow 2013 G20 YEA Summit produced ample evidence identifying that any policy to reinvigorate growth and job creation should have entrepreneurship at its core, with a strong emphasis on youth. Government and private sector-led investments in digital infrastructure, education systems and innovation are crucial success factors for enabling thriving entrepreneurial ventures.

Policies for sustainable and inclusive private sector-led growth, job creation, investment in infrastructure, trade, commercialisation of innovation and participation of women in the workforce must focus on building ecosystems that create, enable and support high growth entrepreneurial SMEs.

The G20 YEA action plan on youth employment contains specific actions that, during the 2014 G20 YEA summit, every country has committed to implement in order to improve their entrepreneurship ecosystem and create more high growth SMEs. The Accenture report “The promise of digital entrepreneurship” and EY report part 2 “Avoiding a lost generation: ten key recommendations to support youth entrepreneurship across the G20”, both co-published with the G20 YEA, provide specific recommendations and best practices to assist all G20 stakeholders.

Our sincerest mark of appreciation for their acknowledgement and support of the G20 YEA to The Hon Tony Abbott, Prime Minister of Australia; The Hon Bruce Billson, Federal Small Business Minister of Australia; Senator the Hon Scott Ryan, Parliamentary Secretary to the Minister for Education of Australia; Dr Heather Smith, Australian G20 Sherpa; Helen Clarke, Administrator UNDP; Angel Gurria, Secretary General of OECD. Thank you for the active collaboration of Mr Robert Milliner, Australian B20 Sherpa; Mr Mike Callaghan, Australian T20 Chair; Ms Holly Ransom, Co-Chair Australian Y20 and Mr Richard Andrews, Director of Engagement for the Australian G20 Presidency.

We, the leaders of the world's young entrepreneurs, commit to reaching out to our G20 leaders and stakeholders here in Australia, and also when we return to our home country. We request that the G20 leaders, governments, ministers and staff support and enable us to implement the G20 YEA action plan on youth employment.

[G20 YEA GLOBAL ACTION PLAN ATTACHED]

[1] High growth is defined as companies that grow from 10 employees or more, at 20% per annum or more, for 3 years or more.

[2] The United Nations post-2015 agenda; Entrepreneurship's critical role in creating youth entrepreneurship and employment, G20 Young Entrepreneurs Alliance & Y20 Australia, July 2014, https://qaz1.az1.qualtrics.com/SE/?SID=SV_4ZKI9tEgFEAMagJ

[3] “Assessing The Long Term Cost of Youth Unemployment.” Martin Schwerdtfeger, Senior Economist. *TD Economics Special Report*. 29 January 2013.

[4] Economic cost of Europe's youth not in employment, education or training estimated at over €150 billion (2012), Eurofound, October 22, <http://www.eurofound.europa.eu/press/releases/2012/121022.htm>

[5] WEF, 2013, Entrepreneurial Ecosystems Around the Globe and Company Growth Dynamics, Report Summary for the Annual Meeting of the New Champions 2013. http://www3.weforum.org/docs/WEF_EntrepreneurialEcosystems_Report_2013.pdf

Signed on behalf of the G20 YEA



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