

# "G20 startup India: Exploring collaborations, challenges, and constraints in youth business engagement"

*Mr. Saurabh U. Shinde<sup>1, 2,\*</sup>, and Dr. Pratap J. Phalphale<sup>1,\*</sup>*

<sup>1</sup> Sangamner Nagarpalika Arts, D. J. Malpani Commerce & B. N. Sarda Science College  
(Autonomous), Sangamner, Ahmednagar, Maharashtra, India.

<sup>2</sup> Savitribai Phule Pune University, Pune 411 007, Maharashtra, India.

\*corresponding authors: [saurabhshinde4254@gmail.com](mailto:saurabhshinde4254@gmail.com) and [phalphale@sangamnercollege.edu.in](mailto:phalphale@sangamnercollege.edu.in)

## Abstract:

This study explores the transformative impact of India's G20 presidency and its Startup20 Engagement Group on the global startup ecosystem. With a focus on G20 nations, the study analyzes the employment landscape, especially within businesses catering to a youthful demographic. It delves into the role of startups, young and mature firms in employment growth, emphasizing the collaborations, challenges, and constraints in the youth-centric business development landscape. The G20 Young Entrepreneurs Alliance Summit, part of the G20 Alliance, serves as a vital platform for collaboration, innovation, and policy advocacy, with a focus on promoting entrepreneurship as a catalyst for global economic growth, innovation, societal change, and employment. The paper also explores G20 initiatives and policies regarding startup employment, assessing their impact on global economic growth, innovation, and job creation. The G20's collaborative efforts in promoting startup development are detailed, encompassing initiatives like the Startup20 Engagement Group, G20 Young Entrepreneurs Alliance, Policy Communiqué, funding collaborations, task forces, global innovation hubs, networking platforms, and international partnerships. The challenges and limitations of the Startup India initiative and the broader G20 engagement are also examined, highlighting the need for increased inclusivity, agility, and direct engagement with startups.

**Keywords:** G20, Startup employment, Youth, Business, Opportunities, Limitations

## Introduction:

India's G20 presidency introduced the Startup20 Engagement Group, transforming global startups. With 92,000 startups, 108 Unicorns, and USD 40 billion in recent investments, India's startup ecosystem ranks third globally. Startup20, initiated by India, catalyzes global collaboration and produced the G20's first Policy Communiqué. The Brazil Presidency's decision to continue reflects its impact, encompassing 850,000 startups, 1600 unicorns, and 41,000 investors across G20 nations. Recognizing startups' pivotal role, the G20, under

India's leaders India, with one of the world's oldest civilizations, boasts a diverse and vibrant democracy. Over 50% of the population is under 25 age, and 65% is under 35 age. In the face of global aging populations, India's youthful demographic is an asset. The G20 Presidency provides a platform for India's youth to become global ambassadors for important causes. hip, signals a shift towards fostering innovation on a global scale.

Exploring the influence of the startup deficit on overall employment within the realm of businesses catering to a youthful demographic. Analyzing BDS data, we break down employment growth into startup, young, and mature firm contributions. Startup contributions, historically dominant, are diminishing due to entry declines, while incumbent firms show a net negative employment growth rate contribution (Pugsley and Sahin 2019). The success of global businesses in revitalizing economies depends on their adaptability to digitalization. Utilizing computer networks and resources, business actors address economic challenges and drive product-oriented efforts. Internet penetration and extensive digitization are essential prerequisites for development. Digitalization, driven by asymmetric information and agency relations, induces significant technological changes in the economy (Cahyadi and Magda 2021). Introducing the challenges and opportunities in youth-centric business development, this overview emphasizes the importance of addressing higher exit rates among young firms. Despite stable employment growth for incumbent young and mature firms, the increasing significance of mature firms indicates a shift in aggregate employment trends. Additionally, we explore the vast potential of space activities to transcend development and national prestige, emerging as a lucrative business and a key driver of economic growth amid the ongoing exciting transformation in the global space industry.

The G20 Young Entrepreneurs Alliance Summit, part of the G20 Alliance, unites young entrepreneurs from G20 countries to promote entrepreneurship as a catalyst for global economic growth, innovation, societal change, and employment. Dr. Mehta, emphasizing the transformative role of young people, highlighted India's leadership in startups and unicorns. Sustainability, focusing on climate change, was a key topic, emphasizing young entrepreneurs' role in developing innovative technologies. Addressing unemployment, the summit advocates for young individuals to be job creators. Gender equality and space entrepreneurship were also discussed, emphasizing the need for more opportunities for women and the potential of space science for innovation. The summit serves as a vital platform for collaboration, innovation, and policy advocacy to shape the global economic future.

G20 YEA calls on G20 governments to support young entrepreneurs through early entrepreneurial education, increased financial backing for partnerships, networking platforms, a 5G network, a specialized visa program, streamlined bureaucracy, tax incentives, and uniform intellectual property protection. Recognizing the global nature of young entrepreneurship, G20 YEA urges a collaborative approach to foster innovation and create a business-friendly environment across borders.

Startups serve as vital contributors to job creation and economic growth globally. Widely recognized as drivers of innovation, their agility in adapting to market dynamics creates new employment opportunities. The startup

landscape within the G20 nations varies due to regulatory disparities, economic conditions, and government policies. Particularly in cutting-edge sectors like technology, biotech, and renewable energy, startups play a crucial role in job generation and skill development. Despite their positive impact, startups encounter challenges such as funding constraints and regulatory hurdles. G20 countries acknowledge these challenges and actively support startups through diverse measures, including policy frameworks, incentives, and funding initiatives. Notably, technology startups, especially in AI, fintech, and e-commerce, contribute significantly to job creation and innovation. G20's commitment extends to organizing events like Startup20x, task force memberships, and collaborative partnerships, fostering an environment that empowers startups and facilitates their growth, exposure, and connections with investors and customers.

This study centers on the G20's initiatives and policies regarding startup employment. It explores the strategies and challenges associated with fostering entrepreneurship within the G20 nations, emphasizing the impact on global economic growth, innovation, and job creation. The study delves into the specific measures taken by G20 countries to support young entrepreneurs, address unemployment issues, and promote a conducive environment for startup development. Additionally, it evaluates the effectiveness of the G20's engagement in shaping the landscape of startup employment and contributing to the overall economic dynamics within the member countries.

### **Research methodology:**

Data for this research were collected from diverse sources to ensure a comprehensive understanding of G20 startup employment trends. Secondary sources included government reports, online websites and official publications from G20 member countries.

### **Review of literature:**

Reviewing literature in the form of articles, reports, and references is crucial for identifying issues, concepts, key variables, and hypotheses related to the research subject. This point conducts a comprehensive review of literature across various streams of startups. The study encompasses literature examining the significance of startups, available opportunities, challenges faced, government policies at both National and International levels, and other support mechanisms.

In 2016, Jain explored the growth and outlook of Indian startups, delving into the definition of startups and government support policies. The study highlighted challenges such as unorganized markets and information gaps. Carsten Lexa's (2017) article explores ways in which G20 countries can support young entrepreneurs in their business endeavors. The author likely provides insights into policies, initiatives, or strategies for fostering an entrepreneurial environment. The review would benefit from a more detailed analysis of the specific recommendations or findings presented in the article.

In 2017, Anitha examined the impact of the "Startup India" scheme launched by the Indian government in January 2016. The study praised the initiative for fostering youth entrepreneurship and driving economic

growth. Highlighting opportunities in various sectors, including textiles, media, health, events, tourism, and automobiles, Anitha acknowledged challenges like infrastructure deficits and talent acquisition. The author proposed collaborative efforts between the government and startups to effectively address these challenges and enhance the program's success.

Pugsley and Sahin's (2019) study highlights a prolonged decline in new firm entries in the U.S., leading to a "start-up deficit." This deficit, coupled with a shift in employment from younger to older firms, affects overall employment dynamics and contributes to jobless recoveries during economic expansions and contractions. Despite these trends, the life-cycle and business-cycle dynamics of firms remain stable.

Sardar (2019) highlighted the Indian government's recent launch of various schemes across sectors to stimulate innovation and bolster the country's economic growth. Despite a positive inclination among the youth towards entrepreneurship, there exists a lack of awareness about recent developments, norms, and schemes in the field.

In 2019, Thyagi noted a robust growth in startups, particularly highlighting increased female participation and India's third-ranking in the global startup ecosystem according to NASSCOM. The thriving startup environment, emphasizing education, talent, and innovation, serves as a platform for entrepreneurs to educate, inspire, and foster development.

The 'Global Startup Ecosystem Report 2019' by Startup Genome recommends an ecosystem model for governments and policymakers to optimize limited resources. The report outlines four phases: activation, globalization, attraction, and integration. The G20 summit has also shown progress in digitalization governance, transitioning effectively from crisis response to a focus on prevention and reducing inequality. The effectiveness of the G20 in decision-making and setting directions is evident, influenced by global events and hosting countries. Despite this, there exists a gap in the implementation of these decisions. In summary, the G20's strategy underscores economic growth and inclusivity through digitalization.

### **Need for the study:**

G20 startup initiatives are crucial for India as they address the imperative of youth employment, tapping into the digital prowess of the younger generation. With a growing awareness of entrepreneurship as a viable career path, these initiatives play a pivotal role in fostering a supportive environment for innovative ventures. Additionally, they contribute to gender inclusivity by providing the necessary ecosystem for women entrepreneurs. Leveraging factors such as a burgeoning population, increased internet usage, and a thriving economy, G20 startup initiatives amplify market opportunities and enhance global competitiveness. Aligning with government initiatives like 'Digital India,' these efforts position India as a competitive player in the global startup landscape, attracting investments and fostering sustainable economic growth.

### **G20 startup collaboration:**

The G20, comprising major economies, engages in various collaborations to promote startup development and entrepreneurship. Several collaborative initiatives aim to foster innovation, create a conducive environment for

startups, and address challenges. Here are different collaborations and partnerships of the G20 in the startup ecosystem:

### **1. Startup20 Engagement Group:**

Introduced during India's G20 presidency, the Startup20 Engagement Group is a collaborative platform that brings together global startups. It catalyzes collaboration among G20 nations to share best practices, policies, and innovations in the startup space.

### **2. G20 Young Entrepreneurs Alliance (YEA):**

The G20 YEA is a collaborative network that unites young entrepreneurs from G20 countries. It serves as a platform for fostering entrepreneurship as a catalyst for global economic growth, innovation, societal change, and employment. The annual G20 YEA Summit is a key collaborative event where young entrepreneurs discuss challenges, opportunities, and advocate for supportive policies.

### **3. Policy Communique:**

The G20 produces a Policy Communique as a collaborative outcome of discussions and agreements within the Startup20 Engagement Group. This document outlines shared policies and initiatives to promote entrepreneurship, innovation, and job creation globally.

### **4. Collaborative Initiatives for Funding:**

G20 nations collaborate on initiatives to facilitate funding for startups. This may include efforts to create investment funds, financial incentives, and mechanisms to ease access to capital for startups, ensuring a supportive financial environment.

### **5. Task Forces and Working Groups:**

The G20 may establish task forces or working groups focused on specific aspects of startup development, such as regulatory frameworks, intellectual property rights, and skill development. These collaborative entities work towards formulating recommendations and solutions.

### **6. Global Innovation Hubs:**

Collaborations within the G20 aim to establish global innovation hubs that facilitate knowledge exchange, technology transfer, and collaborative research and development. These hubs contribute to the growth of startups by providing access to resources and expertise.

### **7. Cross-Border Networking Platforms:**

The G20 encourages the creation of cross-border networking platforms to connect startups, investors, and industry experts across different G20 countries. These platforms facilitate collaboration, partnerships, and market expansion for startups.

## **8. Support for International Partnerships:**

G20 nations collaborate to support international partnerships between startups, universities, research institutions, and established businesses. These partnerships contribute to knowledge-sharing, joint ventures, and the development of innovative solutions.

## **9. Global Entrepreneurship Conferences:**

Collaborative efforts may involve organizing global entrepreneurship conferences where startups, policymakers, and industry leaders from G20 nations come together to discuss challenges, share insights, and explore collaborative opportunities.

## **10. Research and Innovation Exchange Programs:**

G20 collaborations may include exchange programs for researchers, innovators, and entrepreneurs, promoting international cooperation in research and innovation. These programs facilitate the exchange of ideas and expertise to spur startup development.

These collaborations collectively contribute to creating a vibrant and supportive ecosystem for startups within the G20 nations, fostering innovation, economic growth, and job creation.

## **Challenges of the G20 Startup in India:**

The Startup India initiative encounters several challenges, with access to funding standing out as a prominent hurdle for many startups, especially those in their early stages. Despite the government's introduction of funding schemes, securing adequate financial support remains a pervasive issue. The shortage of skilled manpower within the startup ecosystem is another notable challenge, impeding the recruitment of employees with essential expertise and experience. Furthermore, the initiative's emphasis on technology startups, while successful, creates a potential limitation by overlooking untapped sectors like healthcare, agriculture, and education. Legal complexities, including a complex regulatory framework and ambiguity in defining startups, add additional hurdles for startups.

## **Constraints of the G20 Startup in India:**

Both the Startup India initiative and the G20's engagement in promoting startup employment, while successful in their own right, face limitations and drawbacks that require attention. In the case of the Startup India initiative, its significant focus on technology startups may lead to sectoral imbalance, potentially neglecting opportunities in non-tech sectors. Regulatory ambiguity, particularly in defining startups, adds to the challenges, contributing to confusion and compliance issues. Additionally, the legal framework for intellectual property rights needs strengthening to ensure proper protection for startup innovations. Meanwhile, the G20's efforts to promote startup employment encounter challenges in fully representing the diverse needs of startups, potential bias towards major economies, slow decision-making affecting the dynamic nature of startups, bureaucratic hurdles, and a broad focus that may overlook specific challenges faced by startups. To maximize the impact of these initiatives, there is a crucial need for increased inclusivity, agility, and direct engagement

with startups to tailor policies effectively to their unique circumstances. Addressing these limitations and drawbacks is essential for sustaining growth and ensuring positive impacts on the global startup landscape.

### **Conclusion:**

In conclusion, the G20's focus on startup employment emerges as a pivotal force in shaping the global economic landscape. Through collaborative initiatives and policies, the G20 aims to harness the potential of young entrepreneurs, fostering innovation, sustainability, and job creation. The discussions within the G20 framework reflect a commitment to addressing challenges such as unemployment and gender inequality while leveraging the opportunities presented by space entrepreneurship. As a catalyst for economic growth, the G20's engagement in startup employment underscores the importance of international cooperation and shared strategies to empower the next generation of business leaders. The G20's role in advocating for policies that support startups positions it as a key player in driving sustainable development and economic progress on a global scale.

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