

3. Startup20 Engagement Group On India's Proposal

Prelims Syllabus: Economy

Mains Syllabus: GS-III Economics - Inclusive Growth & Issues



Why in News?

- By agreeing to India's proposal to create the Startup20 Engagement Group, the only new group by which G20 has turned itself into an ambidextrous institution, one where both large corporations and startups have an equal voice in taking the economies forward.
- In the new architecture, while the existing B20 Engagement Group continues its focus on corporations, the Startup20 takes on the policy issues concerning the global startup ecosystem, with the necessary linkages between the two groups.

What is the mean by ambidexterity?

- Ambidexterity is the ability to use both hands with equal skill and ease.
- In the context of organizations, it is the ability to simultaneously pursue both exploratory and exploitative strategies. This means being able to balance the need for innovation and new opportunities with the need for efficiency and optimization of current operations.
- For example, Indian IT services companies like TCS and Infosys are investing in areas like artificial intelligence, blockchain, and the IoT, even as they continue to deliver traditional IT services to their clients.

What is B20 Engagement Group?

- **Official G20 dialogue forum representing the global business community:** The B20 (Business 20) Engagement Group is a forum for international business leaders from the G20 countries.
- **Established in 2010:** It is among the most prominent Engagement Groups in G20, with companies and business organizations as participants.
- **A single voice for the entire G20 business community:** The B20 leads the process of galvanizing global business leaders for their views on issues of global economic and trade governance and speaks in a single voice for the entire G20 business community.
- **Aim is to provide recommendations:** The group's aim is to provide recommendations to the G20 on issues such as economic growth, trade, investment, digitalization, sustainability, and job creation.
- **Platform for different stakeholders:** The B20 is one of several engagement groups, which also include groups representing civil society, labor, think tanks, and youth, that provide a platform for different stakeholders to share their views and insights with the G20.
- **B20 Secretariat:** Confederation of Indian Industry (CII) has been designated as the Business 20 (B20) Secretariat for the India's G20 Presidency.

What is Startup20?

- **Initiated under India's G20 Presidency:** The Startup20 Engagement Group has been initiated under India's G20 Presidency in 2023.
- **Aims to support Startups:** The group aims to create a global narrative for supporting startups and enabling synergies between startups, corporates, investors, innovation agencies and other key ecosystem stakeholders.
- **Three taskforces:** The engagement group comprises of three taskforces, namely Foundation & Alliance, Finance, and Inclusion & Sustainability, where delegates will come together to discuss efficient policy frameworks to promote scaling up of startups in the G20 nations.

How these taskforces will work?

Foundation and Alliances Taskforce:

- **Promotes consensus-based ecosystem:** The Foundation and Alliances Taskforce will work to harmonize the global Startup ecosystem through consensus-based definitions and promote a global community of knowledge sharing among the Startup ecosystems to explore opportunities.

- **Help to bridge the knowledge gaps:** It will also bridge the knowledge gap between the Startup ecosystems of G20 member countries and emerging economies through partnerships to enable more industry players across G20 nations to work with Startups and concrete solutions.
- **To create supportive policies and point of contact:** It will aim to create supportive policies for industry players and government organizations to work with Startups and provide points of contact for the participating G20 countries sustained collaboration.

The Finance Taskforce:

- **To provide financing and investment platforms:** The finance taskforce will aim to increase access to capital for Startups by providing financing and investment platforms specifically for early-stage Startups to broaden the array of financial instruments available to Startups.
- **Networking opportunities:** It will also create pitching and networking opportunities for Startups with the global investor community.
- **Best practices for funding ecosystem:** It will work to provide a framework built upon best practices for global investors to fund Startups across G20 member nations, helping build suggestive frameworks that could be implemented in emerging ecosystems for building investment capabilities.

Taskforce for Inclusion and Sustainability

- **Women led startups and community inclusive:** For Inclusion and Sustainability, the roadmap involves increasing support for women led Startups and organizations; promotion of Startups working on making communities more inclusive and to promote Startups working on SDGs in areas of global interest.
- **Encouraging investors to invest in startups built upon sustainable practices:** This Task Force aims to enable more investors to invest responsibly in Startups built upon sustainable practices and to encourage mentorship support to the Startup ecosystems of the G20 member countries and emerging economies.

Conclusion:

- Some of the most pressing challenges facing the world today require innovative solutions at scale. The need for solutions to global problems such as climate change, food security, and energy security is urgent. However, by leveraging global ambidexterity and taking advantage of the G20's new architecture of B20 and Startup20, we can be optimistic about our ability to systematically solve these problems. With deliberate efforts and focused action, we can create a more sustainable and prosperous future for all.

