

G7 YOUTH SUMMIT - Y7 2017

“Rethinking Innovation as catalyst for an inclusive, open and sustainable growth”

PRODUCTION INNOVATION

In order to fully embrace the Next Production Revolution, it is necessary to support the data economy while protecting and empowering individuals, advancing sustainable growth, and promoting a dynamic, open, and inter-connected start-up ecosystem.

- 1. Enable a data economy while ensuring the protection and empowerment of individuals.**
 - a. Extend through an international agreement the individual rights enshrined in the General Data Protection Regulation to all G7 countries, starting the discussion at *the September 2017 meeting of Ministers of Industry*.
 - b. Enforce business data transparency through the disclosure of what personal data is shared and for what purpose, e.g. through an interactive, company-specific online tracker where individuals are provided with control of their data through a reversible consent process.
 - c. Develop open data infrastructure and database standards in key sectors including energy, environment, health, and transportation, while assessing for national security and risk.
 - d. Accelerate the development of artificial intelligence and include ethical considerations in sectors like healthcare and the automotive industry.
 - e. Promote international cybersecurity guidelines and certifications to protect firms and their customers against cyber attacks and foster the sharing of expertise and innovation in cybersecurity.

- 2. Achieve sustainable growth in accordance with the Paris agreement.**
 - a. Increase fiscal incentives and public financing in technologies and business models that promote renewable, clean energy and a circular economy.
 - b. Support developing countries in building the technological capabilities of local business and communities (e.g. through sharing environmental technologies).
 - c. Empower investors and consumers to make climate-friendly decisions through *measurement of businesses' exposure* to climate risks and energy management schemes (e.g. through smart meters).

- 3. Facilitate dynamic start-up ecosystems and reduce barriers to innovation.**
 - a. Encourage public and private sector investment in start-ups and small and medium-sized enterprises through start-up loans, tax incentives, innovation grants and second chance allowances.
 - b. Create end-to-end, digital processes for registering and closing new businesses.
 - c. Promote the creation of incubators, accelerators, business angels and venture capital and facilitate international initiatives across G7 countries.
 - d. Fast-track governmental approval of digital healthcare applications, (e.g. mobile applications to help patients manage chronic diseases).
 - e. Promote value-based entrepreneurship by setting up mechanisms to reward measurable outcomes (e.g. improvements in quality of life or internet access).

KNOWLEDGE-BASED CAPITAL AND ENABLING INFRASTRUCTURES

Our current approach to education is not fit for the 21st Century. To tackle this, we need to focus on (1) Science, Technology, Engineering and Mathematics (STEM) literacy (2) emotional intelligence and (3) adaptability.

The new educational model needs to be inclusive and accessible for all. This includes supporting women and minorities in STEM, and developing technological infrastructures for indigenous communities.

- 1. Promoting STEM literacy in education, through:**
 - a. Investing in training, technological infrastructure and digitalisation to enhance Information and Communication Technology (ICT) education, including cyber bullying, security, and privacy.
 - b. Computer science and programming as mandatory in national curricula.
 - c. Companies and universities collaborating for Research & Development.
 - d. Universities providing STEM training opportunities for the broader public.
- 2. Prioritising emotional and technical/practical intelligence, through:**
 - a. Moving towards a learning-by-doing model (flipped classrooms, project-based learning).
 - b. Including community projects as a graduation requirement.
 - c. Considering emotional intelligence and manual skills in assessments.
 - d. Supporting the development and scaling of educational innovation.
- 3. Enhancing personalised education systems and lifelong adaptability, through:**
 - a. Including counselling and mentorship programmes within schools.
 - b. Promoting an entrepreneurial mindset.
 - c. Introducing mandatory work experience before completing secondary education.

4. **Building public and private partnerships in education, through:**
 - a. Degree programmes that equally alternate between work and academic studies for the entire time of the degree, jointly designed by employers and universities (dual work-studies programmes).
 - b. Opening up opportunities to earn credits through practical experiences.
5. **Promoting vocational and continuous training, through:**
 - a. Investments in vocational training at the same level as university education.
 - b. Funding retraining programmes for workers in declining industries.

FUTURE OF WORK AND OF WELFARE SYSTEMS

1. **Tackling inequalities: the Next Production Revolution and the expansion of digitalisation calls for a change in the demographics, attitudes, and composition of the workforce. This presents an opportunity to reduce gender gaps and ensure that minorities are well represented in the workforce. To tackle inequalities and increase prosperity, we recommend:**
 - a. Ensuring that all youth have equal access to employment opportunities regardless of race, gender, socio-economic status, nationality, faith, and sexual orientation by
 - Encouraging fair recruitment practices, transparency in salary, and equal pay.
 - Requiring public and private employers with over 50 employees to report income stratified by job level in the above demographics on an annual basis.
 - Championing institutions with diversity in their leadership.
 - Addressing barriers to workforce migration and promoting international understanding by expanding a one year long working holiday program for youth ages 18-35 in the G7 countries and beyond.
 - b. Urging G7 countries to offer a minimum 6 months of parental leave by the year 2022.
 - c. Reducing inequalities between communities by offering incentives for public-private partnerships to provide broadband and cellular services to underserved areas.
 - d. Recognising the growing role of entrepreneurship in the global economy by supporting women entrepreneurs through low-cost financing for young companies with female founders.
2. **Welfare systems and security: the significant changes in the nature of work will have to be accompanied by a reform of the welfare state. These systems must face challenges such as rising unemployment, the growing platform economy, increased labour mobility and more reliance on automation. The welfare state must adjust the legal framework and protect workers by:**
 - a. Recognising the increasing role of virtual marketplaces, platform economy jobs and flexible contract work as a source of income. We urge governments to create regulatory frameworks that provide employment standards and social protection.
 - b. Investing in better forecasting of industry and labour market trends to anticipate new skills requirements and to identify upcoming skill shortages.

- c. Embracing an active labour policy that increases training of skills, career guidance and alternative employment opportunities for all unemployed workers, including those displaced by the New Production Revolution.
- d. Incentivising alternative working models such as job-sharing, home-office and part-time work in the private and public sectors that complement the current job market.
- e. Urging public and private employers to promote a healthy work environment by increasing access to mental health services.

3. Taxation: recognising the changing landscape of work and increased strain on social benefit programs as a result of an ageing population by:

- a. Taking action against tax evasion by companies and individuals by requiring greater transparency of tax planning arrangements and increasing the frequency of tax audits.
- b. Instituting a temporary robotic adjustment tax to fund social benefit programs in order to address the increased role of automation in the labour force and possible displacement of existing workers.
- c. Introducing a new taxation model including a 0.1 percent levy on the value of financial transactions and 0.01 percent on derivatives (in accordance with the 2013 European Commission proposal on financial transaction tax) by the year 2022 in order to finance social benefits in the automated economy.