



## IICA-COLEAD Caribbean Agrifood Business Series

Session n°9:

Successes from innovative youth-led businesses/SMEs  
in the agrifood sector

**Thursday 8 June 2023 – 10:00-12:00 (AST)**

Online ([Zoom](#))

*Live interpretation in English, French, Spanish and Portuguese*

### 1. Context

The Caribbean is home to more than 11 million youth between the ages of 15 and 29, who have a central role to play in achieving sustainable development in the region.<sup>1</sup> In Latin America and the Caribbean, almost 70% of employed youth work informally, and many vulnerable jobs are in the agricultural sector. Rural youth are poorer than urban youth, their situation is even worse if they are women, Indigenous or of African descent, which has been exacerbated by the COVID-19 impacts.<sup>2</sup>

The employment challenges that young people face are also pronounced in rural areas. Young people — and, most particularly, young women — account for the largest group of rural dwellers who are outside the workforce. In second place are agricultural workers, mostly men and wage earners, closely followed —with only a few percentage points difference — by those working in a wide range of non-agricultural subsectors, many of whom are waged. Most agricultural job opportunities occur in the informal sector (especially for women), are of short duration (seasonal or harvest work, for example) and do not allow upward career paths. Job prospects in rural areas are therefore very limited and many young people want to migrate to the cities because of the lack of options. However, a review of the few programmes aimed at rural youth and rural youth groups' demands reveal that they are focused on self-employment, essentially in agriculture (which is related to the demand for land) and on non-agricultural (micro-) business ventures, notably those linked to agricultural processing and marketing or tourism.<sup>3</sup>

In 2019, the unemployment rate for young people aged from 15 to 24 was 15.3%, which was triple the adult rate. The figure was 19.3% for young women and 14.1% for young men. Of young people who work, most do so informally, i.e. do not pay social security contributions. This can have major consequences both in the short term (job instability, lower wages and fewer rights) and in the long term (lower contributions to pension or health schemes or even worse future working conditions). It is estimated that, in 2019, about 68.5% of young people aged 15–24 who were employed were working informally, and in some countries this proportion was as high as four out of every five young people. This is worrying, as the data indicate that informality is a very persistent situation in the region, especially among young people

<sup>1</sup> UN.ECLAC. [Caribbean youth address major development issues at United Nations meeting](#). 2019.

<sup>2</sup> FAO. 2019. <https://www.fao.org/rural-employment/resources/detail/en/c/1600608/>

<sup>3</sup> “[Latin American and Caribbean youth and the 2030 Agenda for Sustainable Development: an examination from within the United Nations system](#)” (LC/TS.2021/74), Santiago, United Nations, 2021.

from lower-income strata, and that the chances of entering the formal sector are higher for those in a better socioeconomic and educational situation.<sup>4</sup>

The COVID-19 pandemic crisis had a much greater impact on the labour market than previous crises, with bigger job losses, declines in labour participation and increases in unemployment. For various reasons, the crisis weighed most heavily on female employment and on the most vulnerable groups, such as young people, migrants and less educated workers.<sup>5</sup> The crisis caused by the COVID-19 pandemic impacted young people (i) in the interruption of education and vocational training, (ii) difficulties for those who were just entering the labour market or were looking for work in early 2020 and (iii) loss of jobs, reduction of wages or deterioration of employment conditions for those who were working. Among young people who were already in the labour market, estimates of the main indicators reflect the strong impact of the crisis on this age group. According to the information available for nine countries in the region, their average participation rate fell by 5 percentage points and their average employment rate by almost 6 percentage points to 32.7% in 2020. The unemployment rate averaged 23%.<sup>6</sup>

Between 2019 and 2020, the number of people in employment fell resulting in a female unemployment rate of 11.9%, up from 9.3% in 2019. Meanwhile, the unemployment rate for men in 2020 was 9.3%, compared with 6.9% in 2019.<sup>7</sup>

Rural regions are losing their population to migration to foreign countries or to urban areas. This leads to problems regarding succession and the maintenance of youth in rural areas. Aging of the working population, is resulting in many production units managed by elderly farmers with no prospect of finding a successor. Affirmative action policies could be put in place, through credit incentives and access to services aimed at younger farmers. Likewise, it must be taken into account that many young farmers do not want to make a living exclusively from primary agricultural production, so it would be important to combine agricultural and non-agricultural policies, to include all members and different interests of a family group, not simply the production.<sup>8</sup>

## 2. Unlocking business opportunities for youth-led SMEs and enterprises

In Latin America and the Caribbean as a whole, young people who are neither in education nor employed in the labour market account for approximately 58.1% of rural youth outside the workforce. An analysis of the Sustainable Development Goal (SDG) 8 *Decent work and economic growth* and of some of its targets highlights the need to continue adopting further measures for the gains obtained by broadening educational opportunities to translate into a real improvement in young people's quality of life. This requires establishing conditions that allow them access to decent work and placing special emphasis on the most excluded groups, such as women and rural youth.<sup>9</sup>

Limited access to land for many small-scale farmers and young farmers and entrepreneurs makes it difficult to invest in their businesses and make long-term plans. The lack of infrastructure, including roads, irrigation systems, and storage facilities, can make it difficult for farmers to transport and store their products, limiting their ability to reach new markets and command higher prices. The Caribbean is heavily dependent on food imports, which can make it difficult for local farmers to compete. High import tariffs and other trade barriers can also make it difficult for young entrepreneurs to access international markets. Young entrepreneurs alone cannot address these challenges and need government support.

Young farmers and entrepreneurs need a reliable supply of local raw materials of consistent quality and to be equipped with processing facilities to be able to generate higher incomes and respond to consumers demand.

For young farmers and entrepreneurs to grow, factors of success include:

- access to mentors and networks and well-designed public-private partnerships with research and policy
- access to markets, especially those with higher-value and high-growth sectors
- access to finance
- entrepreneurial support in the form of grants, training programs and technical assistance
- use of information and communications technology (ICT) in agriculture and smart farming

<sup>4</sup> Economic Commission for Latin America and the Caribbean (ECLAC), Economic Survey of Latin America and the Caribbean, [Labour dynamics and employment policies for sustainable and inclusive recovery beyond the COVID-19 crisis](#). 2021 (LC/PUB.2021/10-P/Rev.1), Santiago, 2021.

<sup>5</sup> *ibid*

<sup>6</sup> ECLAC. [Economic Survey of Latin America and the Caribbean 2021: Labour dynamics and employment policies for sustainable and inclusive recovery beyond the COVID-19 crisis](#). 2021.

<sup>7</sup> Economic Commission for Latin America and the Caribbean (ECLAC), Economic Survey of Latin America and the Caribbean, [Labour dynamics and employment policies for sustainable and inclusive recovery beyond the COVID-19 crisis](#). 2021 (LC/PUB.2021/10-P/Rev.1), Santiago, 2021.

<sup>8</sup> Schneider, Sergio (2016) : [Family farming in Latin America and the Caribbean: Looking for new paths of rural development and food security](#), Working Paper, No. 137, ISBN 978-92-5-109175-3, International Policy Centre for Inclusive Growth (IPC-IG), Brasilia.

<sup>9</sup> "[Latin American and Caribbean youth and the 2030 Agenda for Sustainable Development: an examination from within the United Nations system](#)" (LC/TS.2021/74), Santiago, United Nations, 2021.

- positioning in the green economy and energy-efficient technologies and innovations (renewable energy, water-efficient systems, hydroponics)
- good knowledge of post-harvest handling, marketing and food manufacturing.

Value chains characterised by innovative production, higher-value products, value addition, safety requirements and quality differentiation are attractive to young entrepreneurs eager to lead the way to “farming as a business”. There is a great urgency to roll out capacity development programmes to expand the number of youths better prepared to seize new markets and develop new products. Youth entrepreneurs engaged in small and medium-sized enterprises (SMEs) and clusters of agrifood related businesses and services require assistance to analyse market potential for their products, and to identify and address priority policy and regulatory issues that affect value chain development. Increased youth involvement in policy processes would also enable to have youth voice heard on challenges faced and proposed solutions. Green jobs<sup>10</sup> can provide more sustainable livelihoods provided that rural youth access the necessary skills, market information and available green technologies.

### 3. The way forward

Among the main lessons learned from the history of youth employment policies in the Caribbean region is the need to supplement supply-side policies (training and skills development and the elimination of economic, social and cultural barriers) with demand-side policies, which should form part of post-pandemic job creation programmes. The need to promote dialogue, involve the private sector in this process and foster inter-institutional coordination should also be emphasised.<sup>11</sup>

Improving vocational training in the rural sector and training programmes on rural entrepreneurship needs public policies and financing and support value chains and clusters.<sup>12</sup>

Agriculture is often perceived by youth as generating little profit, labour intensive and traditional. The mismatch between education and skills demand and the limited opportunities for training and career progression explain the low interest in agriculture and migration to urban areas. Lack of access to finance, limited use of improved inputs (i.e. seeds, fertilizers) and limited access to land are some of the constraints for value chain expansion. Investing in the **education and training** of young rural people is becoming ever more important as the challenges associated with adopting sustainable, climate-smart production methods and linking up with marketing opportunities in modern value chains are growing and competition over scarce natural resources, including land, from the production side, imply the need for these young people to develop a range of skills and knowledge that have not always been readily accessible in rural areas.<sup>13</sup> Youth need to be able to access specialised **skills development** programmes and trainings, information and technical services, to expand thriving businesses. Effective protection during the early stages of livelihood building and business development could be a game changer for many young people. **Links to research** remain important to ensure product development, technology and innovation adoption which contributes to green and sustainable growth while meeting the expectations of local and foreign consumers.

There is a need to advance the production of data that are disaggregated on a subregional scale and by age groups, to generate specific information and to develop public programmes and policies that are relevant, with a territorial and rights approach, and that contribute to closing gaps and ensuring equality and opportunity for all of the region's youth.<sup>14</sup>

#### Key points for discussion on promoting youth-led SMEs and businesses:

- What are the drivers of success of youth-led SMEs in the agrifood sector: what innovations, technologies, knowledge and finance do they attract and need?
- How to upscale youth-led investments and rural women enterprises?
- What incentives can be provided to attract and retain youth-led SMEs and smallholders in value-addition in local and export markets?

<sup>10</sup> [Fostering a green entrepreneurial ecosystem for youth](#) - Geneva: ILO 2020. The study identifies the key challenges and opportunity spaces for green youth entrepreneurs as being: (i) founding and scaling businesses, (ii) incorporating and integrating environmental and green processes, and (iii) selling green products and services.

<sup>11</sup> ECLAC. [Economic Survey of Latin America and the Caribbean 2021: Labour dynamics and employment policies for sustainable and inclusive recovery beyond the COVID-19 crisis](#). 2021.

<sup>12</sup> ILO Thematic Labour Overview 3: [Working in Rural Areas in the 21st Century. Reality and Prospects of Rural Employment in Latin America and the Caribbean](#) (Revised version) Lima: ILO / Regional Office for Latin America and the Caribbean, 2016.

<sup>13</sup> FAO, IFAD, WFP. [Developing the knowledge, skills and talent of youth to further food security and nutrition](#). 2015.

<sup>14</sup> Guiskin, Maia, et al. "The rural youth situation in Latin America and the Caribbean." *IFAD Research Series*, no. 59, 19 Dec. 2019, p. NA. *Gale Academic OneFile*.

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**10:00-10:05 Introduction**

**Moderation:** *Isolina Boto, Head of Networks and Alliances, COLEAD*

**10:05-10:50 Panel: experiences from youth-led businesses**

- *María Elsy Abreu, Co-Founder, Cacao Mae, Dominican Republic*
- *Lidia Díaz, Founder and Manager, Plant Powered SRL, Dominican Republic*
- *Delphino Gilbert Cassar, Director and Co-founder, Eeden Farms, Bahamas*
- *Kashar Daniel, Managing Partner, Fresh Harvest, Saint Lucia*

**Moderation:** *Allister Reynold Glean, Technical Specialist, International Trade and Regional Integration Programme / Representative in Barbados, IICA*

**10:50-11:30 Insights from support programmes**

- *Shedron Collins, General Manager, Youth Business Trinidad and Tobago (YBTT)*
- *Gregory Fergusson, Financial Advisor, Barbados Youth Business Trust (BYBT)*
- *Teesha Mangra-Singh, CEO, Agriculture and Innovation Entrepreneurship Programme (AIEP), Guyana*

**11:30-11:50 Q&A session**

**11:50-12:00 Conclusion and way forward**



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