



CONSTRAINTS AND OPPORTUNITIES FOR EMPLOYMENT AND ENTREPRENEURSHIP IN THE CARIBBEAN REGION

Strengthening Caribbean Economic Growth (SCEG)

August 2025

Authored by Sasha Muench and Deborah Gordon



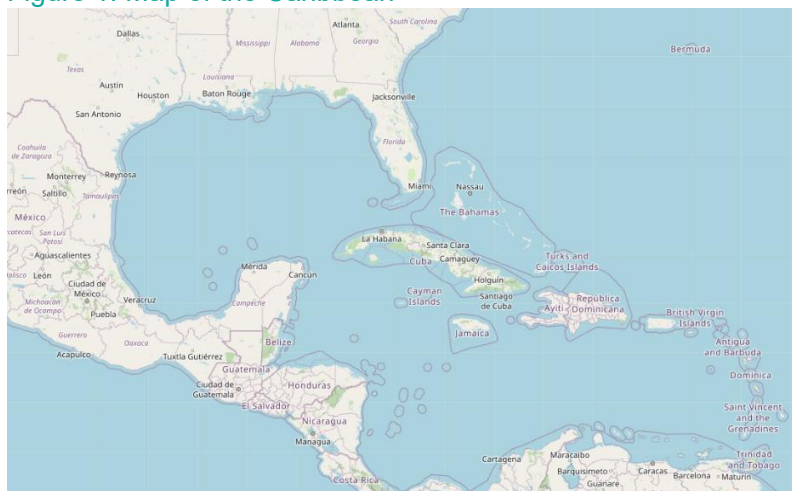
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1. Introduction

The U.S. Department of State-funded program, Strengthening Caribbean Economic Growth (SCEG), aims to build the economic strength and job skill sets of individuals aged 16 and older so they may better pursue employment, entrepreneurship, and economic well-being. To achieve this goal, the SCEG program will launch a small grant challenge to identify and implement solutions that measurably improve job skills training, employment opportunities, and livelihood outcomes within 12 jurisdictions in the Caribbean: Antigua and Barbuda, Barbados, the Bahamas, Dominica, the Dominican Republic, Grenada, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

Figure 1: Map of the Caribbean



Establishing a small-grant challenge grounded in evidence-based research is vital to providing tangible and effective solutions. To achieve this, the SCEG program conducted two complementary assessments to identify the constraints and opportunities facing individuals seeking employment and micro, small, and medium enterprises (MSMEs) interested in growing and hiring more workers: a survey of macro-level market constraints and an assessment of individuals' knowledge, attitudes, and practices (KAP).

Table 1: Jurisdictions' Populations and GDPs as of 2024

Country	Population	GDP (in billions)	GDP per capita
Antigua & Barbuda	93,772	2.2	\$ 23,726
Bahamas	401,283	15	\$ 39,455
Barbados	282,467	7.2	\$ 25,366
Dominica	66,205	0.7	\$ 10,405
Dominican Republic	11,427,557	124	\$ 10,876
Grenada	117,207	1.4	\$ 11,872
Jamaica	2,839,175	20	\$ 7,020
St Kitts & Nevis	46,843	1.1	\$ 22,771
St. Lucia	179,744	2.6	\$ 14,182
St. Vincent & the 5 Grenadines	100,616	1.2	\$ 11,501
Suriname	634,431	4.7	\$ 7,431
Trinidad and Tobago	1,368,333	26	\$ 19,315

The 12 jurisdictions offer varied economies, with populations ranging from 47,000 in Saint Kitts and Nevis to 11.3 million in the Dominican Republic, all of which are either stable or declining. Annual Gross Domestic Products (GDPs) range from US\$700 million in Dominica to US\$124 billion in the Dominican Republic, with a median GDP of US\$3.65 billion and median GDP per capita of US\$12,027 (compared to a GDP per capita of US\$85,810 in the United States, according to the World Bank). Tourism is

the dominant economic sector in some jurisdictions (e.g., Antigua and Barbuda) but a minor one in

others (e.g. Suriname and Trinidad and Tobago). Some jurisdictions are heavily oriented toward supply chains and economic linkages with the United States (e.g. Jamaica and Barbados) while others are more connected to Latin America (e.g. Dominican Republic).

Given the economic diversity across the region, the research summarized in this report focused on cross-cutting constraints that are common across the region and can potentially be addressed with small-scale interventions and/or investments. The report briefly explains the methodology used and then outlines the key findings as well as the potential opportunities for change.

2. Methodology and Limitations of Findings

2.1 Market Constraints Research

The research on market constraints utilized a literature review of relevant reports, as well as an analysis of data sets from the International Labor Organization (ILO), the World Bank, and the Inter-American Development Bank (IDB). An independent consultant hired by Mercy Corps conducted the research.

It is important to note there are significant information gaps in the region. For some jurisdictions, especially the smaller ones, there is little recent localized data, and they are generally not included in the data sets mentioned above (or the data included is from 2016 or earlier). In addition, the multilateral agencies include different countries in their definitions of the Caribbean region, so regional summaries are not fully comparable. For example, some reports include Belize, Haiti, and/or Guyana and omit the Dominican Republic or Suriname. Summary information that includes the entire Latin American and Caribbean region (LAC) was omitted from this report as the Caribbean is a relatively small portion of that region and notably different from other Latin American countries. Where feasible, the raw data was explored and results extrapolated for the 12 jurisdictions included in the SCEG Program. Additionally, some papers included in this literature review narrowed their focus to a few of the larger jurisdictions, usually the Dominican Republic, Jamaica, and Trinidad and Tobago. As a result, conclusions on specific jurisdictions based on findings presented in the SCEG report should not be formed at this stage without additional micro and site-specific research. However, the main themes and findings are applicable to the region, and broad conclusions can be drawn about overlapping constraints, as well as promising sectors and opportunities.

2.2 Knowledge, Attitudes, and Practices (KAP) Survey

The KAP survey was conducted to supplement the analysis of macro-level constraints with additional context and depth at the individual level regarding knowledge, attitudes, and practices related to economic empowerment. The KAP survey was designed by the SCEG Program Manager and the Measurement, Evaluation and Learning (MEL) Manager, with input from Mercy Corps' Program Quality Advisor and Economic Development teams. The team researched aspects of economic development and designed questions to assess:

- Financial Literacy

- Economic Empowerment
- Access to Resources
- Income Generation
- Workforce Participation
- Entrepreneurship/Business Knowledge

Mercy Corps utilized the OnaData platform to build the survey and collect data. To launch the KAP survey, Mercy Corps leveraged three modes of outreach to survey participants: 1) Mercy Corps' Caribbean Resilience Initiative Facebook page; 2) Existing community-based organization (CBO) networks; and 3) CBOs identified in each jurisdiction during a stakeholder mapping exercise that occurred in December 2024. The survey was launched on June 29, 2025, and remained open for responses until July 14, 2025. Participants were also made aware that the survey would be anonymous. *(See Annex E and G for participant demographic details and survey questions, respectively.)*

The KAP findings summarized in this report indicate a variety of trends across demographic factors and economic determinants. Mercy Corps set a target sample size of 385 respondents; 191 individuals completed the survey, which is not a large enough sample to be statistically representative of the Caribbean population. Therefore, findings are not statistically generalizable across the entire region. Furthermore, the demographic makeup of the KAP participants differs from the Caribbean in several aspects. For example:

- 81% (157) of participants identified as female, compared to 51% in the Caribbean at large.¹
- 82% (159) of participants were over the age of 35, while only 42% of the overall region's total population is over 35.²
- Most of the participants were educated, with 86% (164) having a secondary education or above, compared to 54% of individuals in the Caribbean.³
- Of the 12 jurisdictions where Mercy Corps solicited participation in the survey, the Dominican Republic and Jamaica have the largest populations, and therefore it was expected that roughly 73% of the sample would come from those two jurisdictions. However, these two countries only comprised 6% of the survey sample, while Trinidad and Tobago, St. Lucia and Dominica comprised 56% of the respondents, despite comprising only 8.5% of the region's total population.

For these reasons, while the KAP findings can identify high-level trends, the results must be interpreted within the context of existing data and its limitations.

¹ Regional figure taken from <https://data.worldbank.org/indicator/SP.POP.TOTL.MA.ZS?locations=S3>

² Regional stats taken from <https://www.un.org/development/desa/pd/>.

³ Beuermann, D. W., et. al. eds., Are we there yet? The path toward sustainable private sector development in the Caribbean, IDB, 2024, pg. 58.

3. Key Findings

3.1 Small Island Economies

All 12 jurisdictions in the SCEG program fall into the grouping of Small Island Developing States (SIDS), sharing the common characteristics that they depend on imports for key food, fuel, and manufactured goods, and thus are vulnerable to global price fluctuations, and tariffs, and have experienced overall low private sector investment and growth.⁴ The Caribbean SIDS are also marked by high transportation and connectivity costs, despite their proximity to the North and South American land masses.

The jurisdictions all have small populations and economies, except for the Dominican Republic, which is the eighth largest economy in Latin America and the Caribbean (LAC).⁵ Economic growth has been relatively slow for decades and the region is marked by high government debt. While the region receives high foreign direct investment, local economic growth returns are low, which suggests the region suffers from low productivity, low rates of technological change within the private sector, and an inability to turn that investment into innovative economic activity.⁶

Exacerbating this situation, the Caribbean has one of the highest emigration rates in the world for skilled workers, with assessments calculating that up to 68% of the population with post-secondary education leaves the region to pursue better job opportunities, primarily in the US and the UK.⁷ Not only does this lead to an undersupply in skilled workers (as explained more below), “but the net effect of migration and remittances on growth tends to be negative for the Caribbean, which has been characterized by brain drain and relatively small remittance receipts.”⁸ Additionally, the Caribbean population is aging, as annual population growth fell from 0.61% in 2000 to 0.37% in 2023, leading to an ever-smaller working age population.⁹ (*See Annex A for emigration data by jurisdiction*).

Recent data on primary economic sectors cannot be found for all 12 jurisdictions, but the ILO collected data on primary employment sectors for the Dominican Republic, St. Lucia, and Trinidad and Tobago.¹⁰ Figures 2-4 show wholesale and retail trade and vehicle repair as the largest employment sectors in all three countries, ranging from 14% (Trinidad and Tobago) of the working population to 20% (Dominican Republic). However, the education sector employs 19% of working women in Trinidad and Tobago, while construction is the largest employer of men at 17%.

⁴ For more information on SIDS see <https://www.un.org/ohrls/content/about-small-island-developing-states>.

⁵ County Private Sector Diagnostic: Creating Markets in the Dominican Republic, International Finance Corporation, October 2023, pg. 1.

⁶ Beuermann, D. W., et. al. eds., Are we there yet? The path toward sustainable private sector development in the Caribbean, IDB, 2024, pg. 36.

⁷ Ibid., pg. 71, 72.

⁸ Beuermann, D. W., et. al. eds., Are we there yet? The path toward sustainable private sector development in the Caribbean, IDB, 2024, pg. 69.

⁹ Economic Commission for Latin America and the Caribbean (ECLAC), Population, Development and Rights in Latin America and the Caribbean: draft second regional report on the implementation of the Montevideo Consensus on Population and Development, 2024, pg. 93.

¹⁰ Data taken from [ILO Statistics on Sectoral Employment](#). St. Lucia data collected in 2024; Dominican Republic and Trinidad and Tobago data gathered in 2023.

Accommodation and food services are significant employers of women in the Dominican Republic (11%) and St. Lucia (16%) (see Figures 2-4).

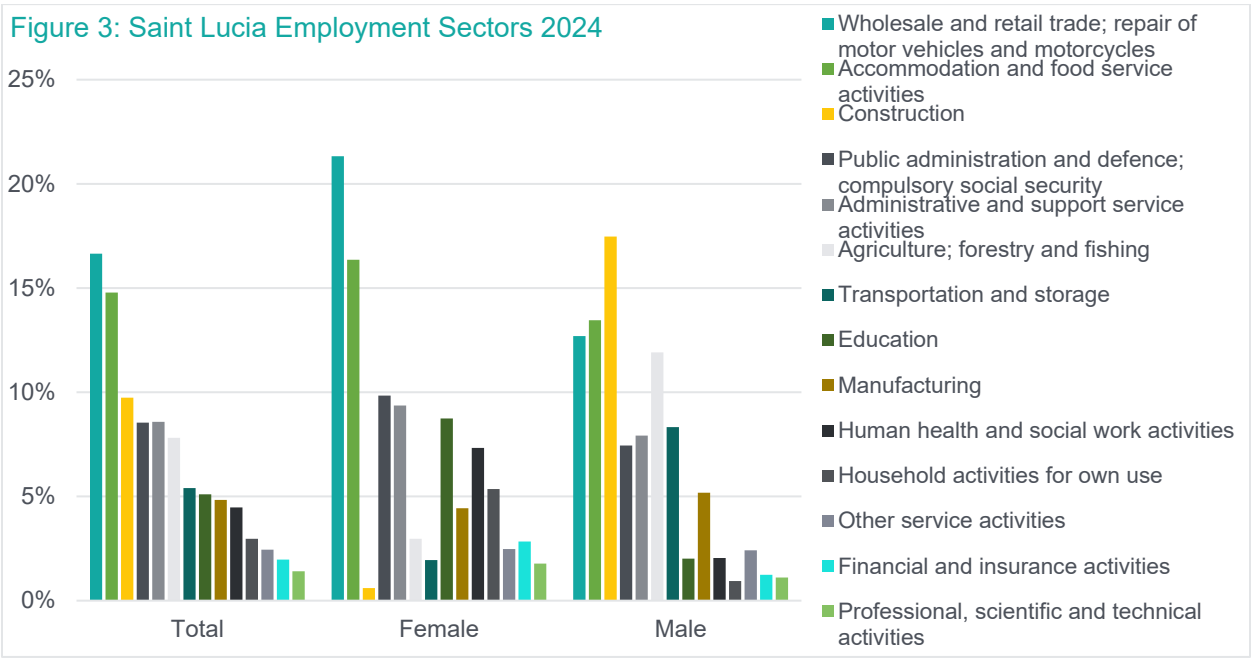
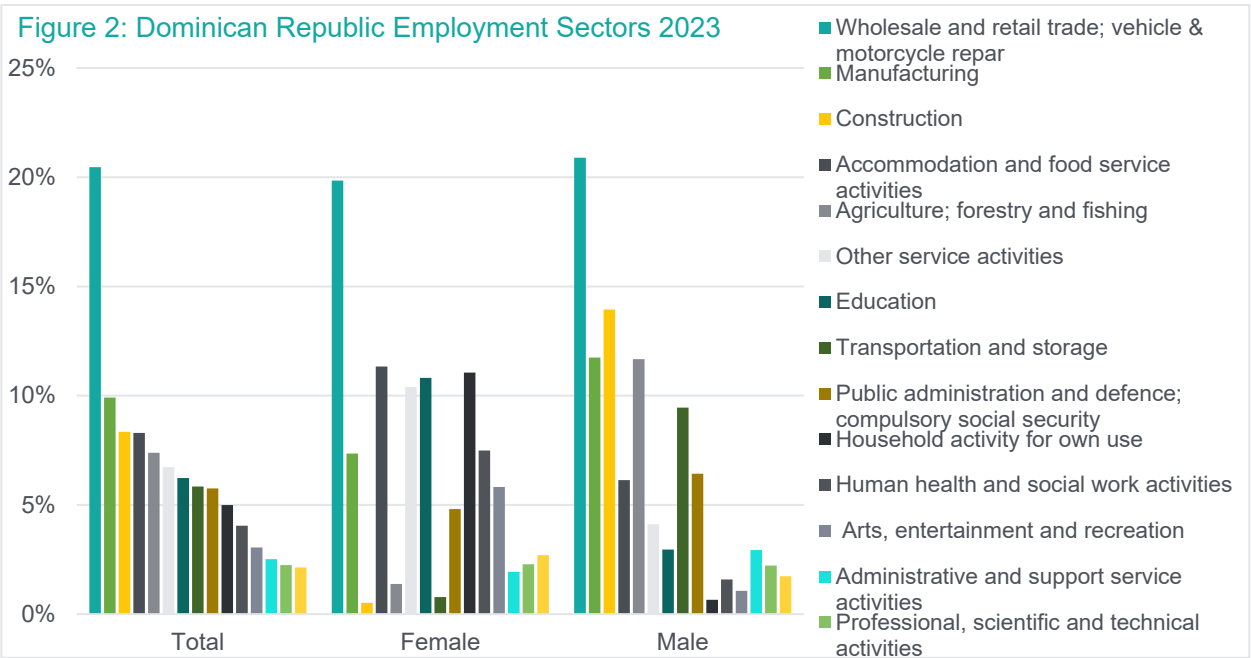
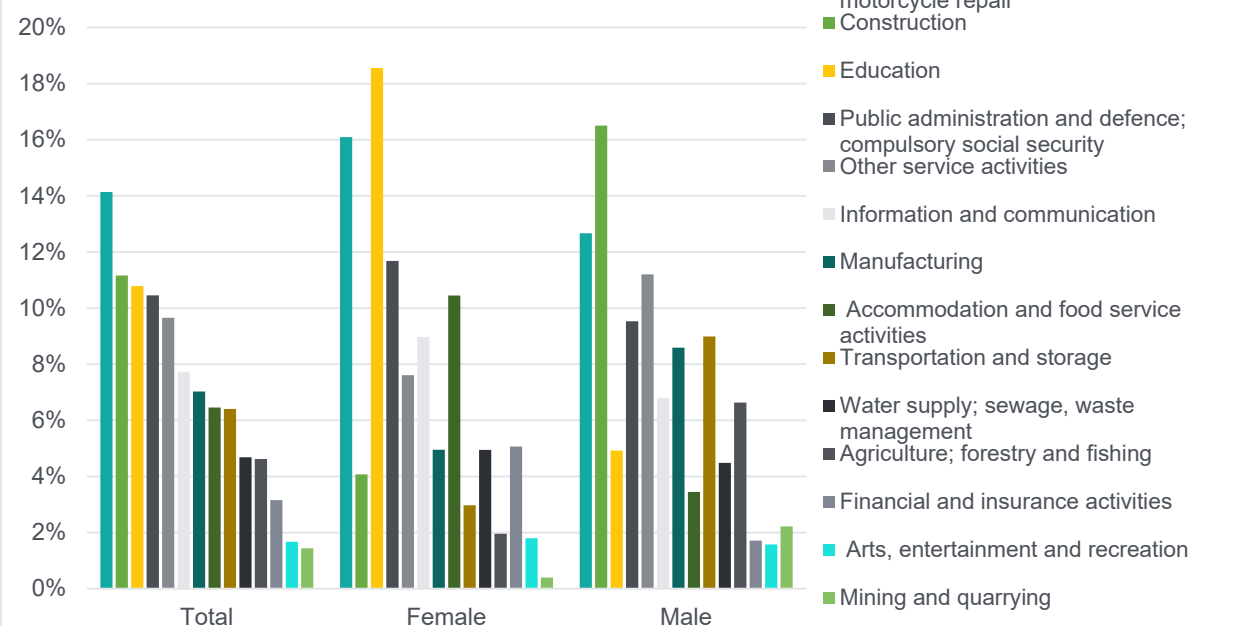


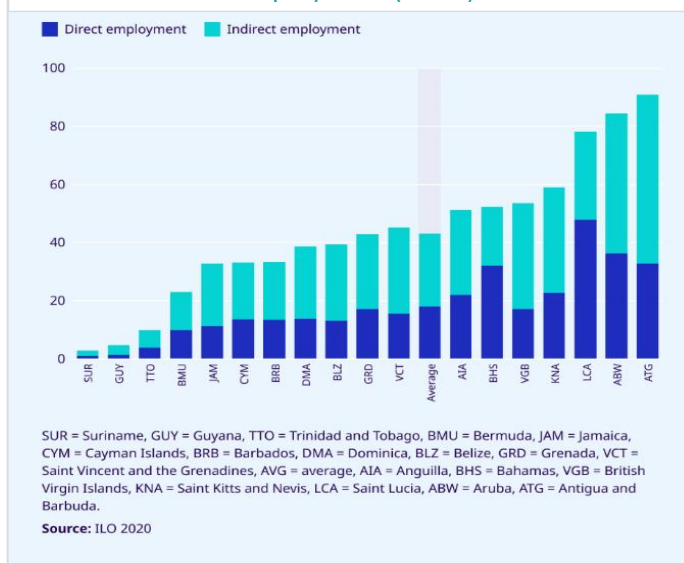
Figure 4: Trinidad And Tobago Employment Sectors 2023



3.2 Tourism

Each jurisdiction has a different mix of sectors driving its economy, but tourism continues to be a significant source of employment and contributor to gross domestic product (GDP) across the region. Tourism contributed between 11% and 22% of the region's GDP in 2023 (depending on which countries are included).¹¹ Data from 2019 shows the tourism sector directly employed 18% of the region's labor force and indirectly sustained another 43.1% (see Figure 5).¹² However, there is diversity among the selected jurisdictions in the percentage of their economy that is indirectly sustained by tourism, ranging from less than 10% in Suriname and Trinidad and Tobago, to

Figure 5: Direct and Indirect Employment in the Tourism Industry as a Percentage of Total Employment (2019)

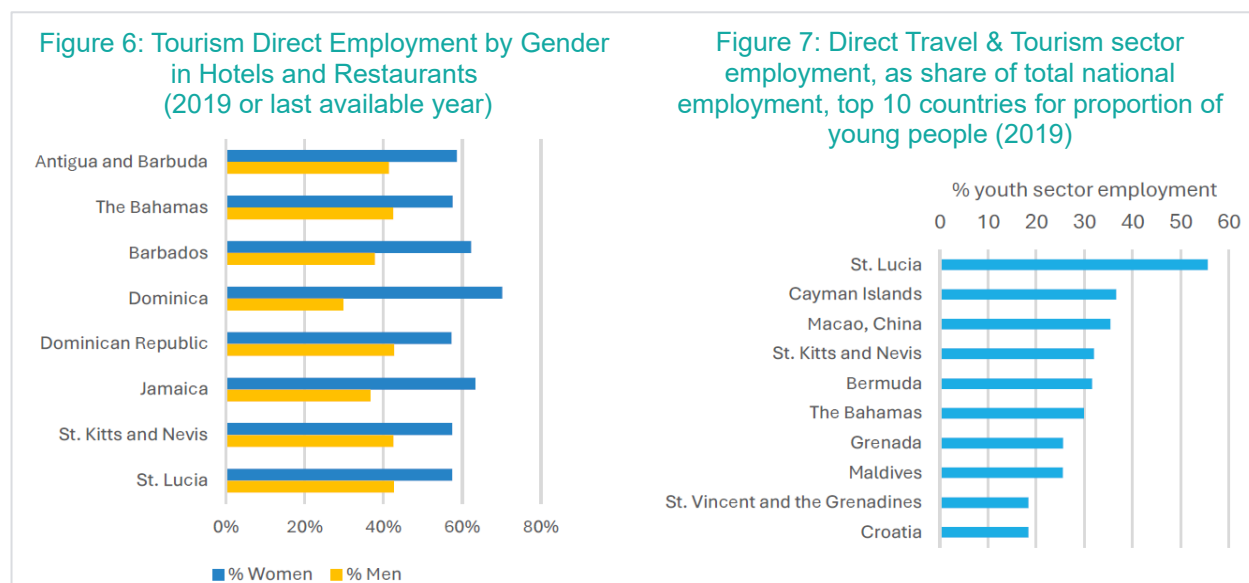


¹¹ World Bank. 2025. Rethinking Caribbean Tourism: Strategies for a More Sustainable Future. pg. xii. The 22% estimate includes Antigua and Barbuda, the Bahamas, Barbados, Dominica, Dominican Republic, Grenada, Jamaica, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. It omits Trinidad and Tobago and Suriname and adds in Belize and Sint Maarten.

¹² Table reprinted from Muhammed, A., Beyond tourism: A policy framework for economic diversification and job creation in the Caribbean, ILO, 21 May 2025. The Dominican Republic is included in the Latin American region in ILO calculations and there is no equivalent data available for that country.

91% in Antigua and Barbuda. While the Coronavirus (COVID) pandemic devastated the tourism industry in 2020 and 2021, by 2023 and 2024 tourism rebounded to pre-pandemic levels in every jurisdiction, and many were setting records for tourist arrivals.

Tourism is an especially significant employer of women and youth, with women making up “57–70% of workers directly employed in the hospitality as well as food and beverage industries pre-pandemic, higher than in all other sectors combined in the Caribbean” (see Figure 6).¹³ The sector is also the highest direct employer of youth (aged 15-24), with the Caribbean jurisdictions holding five of the top 10 spots globally for direct youth employment in the travel and tourism sector as a share of total national employment (see Figure 7).¹⁴



Unfortunately, “most jobs in the sector remain precarious, low-paid, informal, and highly gender-segregated.”¹⁵ Jobs are also often insecure because of the sector’s seasonal nature and exposure to natural disasters. As a result, “while the tourism sector offers broad employment opportunities, especially for first-time job seekers, the nature of these jobs...makes it difficult for workers to move up the economic ladder or build resilience against shocks. Often, the sector functions as a revolving door: high turnover, low retention, and few long-term career pathways.”¹⁶

In addition, the tourism sector’s contribution to a diverse local private sector is low because of the historical focus on cruises and all-inclusive resorts rather than local experiences. In 2019, the average amount spent locally per individual tourist in the Caribbean (US\$712) was half that in the

¹³ Rethinking Caribbean Tourism: Strategies for a More Sustainable Future, World Bank, 2025, pg. xii. Chart taken from pg. xiii.

¹⁴ Both charts reprinted from Rethinking Caribbean Tourism: Strategies for a More Sustainable Future, World Bank, 2025, pg. xiii.

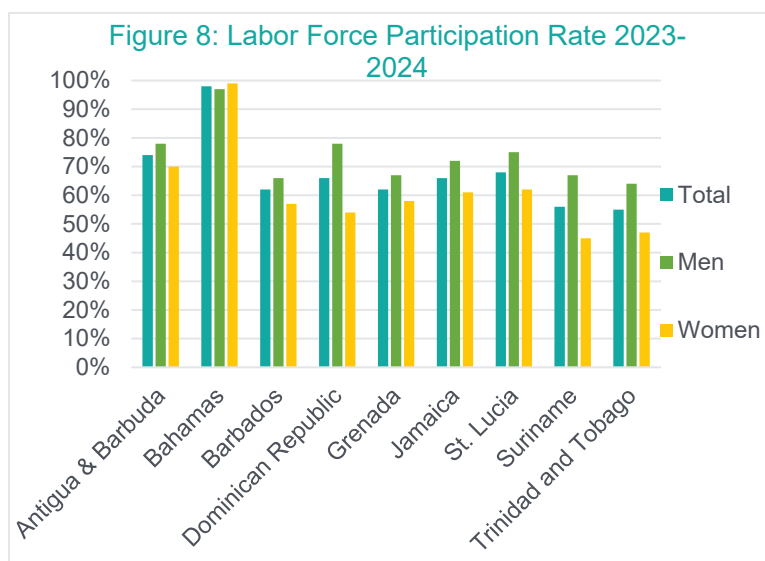
¹⁵ Muhummed, A., Beyond tourism: A policy framework for economic diversification and job creation in the Caribbean, International Labor Organization, 21 May 2025.

¹⁶ Llovet Montanes, R., et al., Beyond the Beach Beyond the Beach: Why Job Quality in Caribbean Tourism Matters More Than Ever, June 26, 2025, World Bank.

Pacific (US\$1,428).¹⁷ To increase the sector’s impact on local jobs, incomes, and profits, it is vital to strengthen local economic linkages by increasing local enterprise engagement directly with tourists and connecting international companies with local supply chains, for example farmers, artisans, and service providers. It is also crucial to increase capacity in local tourism businesses and their workforce, particularly in the areas of digitalization of operations and sustainable tourism.¹⁸

3.3 Labor Force Participation

Labor force participation rates in the region are low, at 64%, although there is variation among jurisdictions.¹⁹ An ILO report using 2023-2024 data for nine of the 12 jurisdictions showed labor force participation ranged from 55% for Trinidad & Tobago to 98% for the Bahamas. It also highlighted lower women’s participation rates in every jurisdiction except the Bahamas, with women’s rates as low as 45% for Suriname and 47% for Trinidad and Tobago (see Figure 8).²⁰ Among the KAP survey participants, 77% were actively employed, although men were more likely to be (80%) than women (76%). Despite this, 63% of respondents agreed they had “regularly” or “sometimes” faced challenges applying for and/or receiving job training or apprenticeships.



In many jurisdictions, a high percentage of the labor force is employed informally, with data available for only nine of the 12 jurisdictions. Informal employment reaches as high as 62% in Barbados and 55% in both Jamaica and the Dominican Republic. Interestingly, in every jurisdiction, more men than women are working. In Jamaica and Barbados, over 63% of men work informally, potentially in agriculture, compared to 61% of women in Barbados and only 44% of women in Jamaica.²¹

Given the low labor force participation rates and high informal employment, official unemployment rates do not provide a complete picture, but they do illustrate differences between demographic groups. In 2023, youth unemployment in the region was 18%, compared to an overall

¹⁷ Rethinking Caribbean Tourism: Strategies for a More Sustainable Future, World Bank, 2025 pg. xiii.

¹⁸ Llovet Montanes Llovet, R., et al., *Beyond the Beach: Why Job Quality in Caribbean Tourism Matters More Than Ever*, June 26, 2025, World Bank.

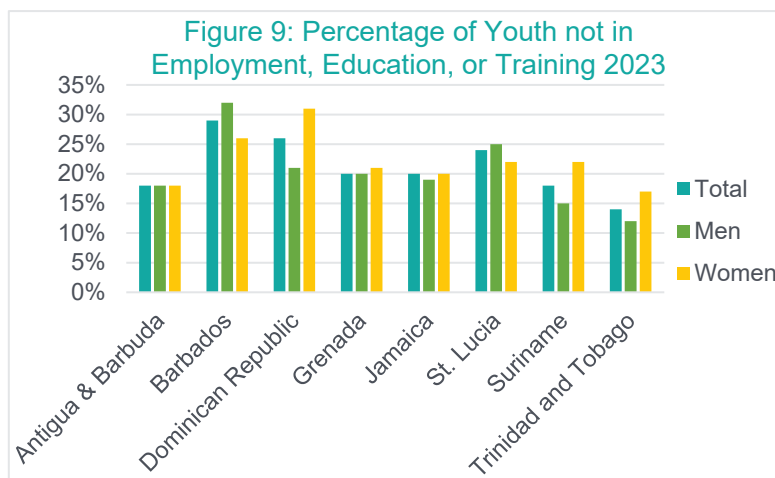
¹⁹ Muhummed, A., *Beyond tourism: A policy framework for economic diversification and job creation in the Caribbean*, ILO, 21 May 2025. For all ILO data, the Caribbean region includes the Bahamas, Barbados, Jamaica, Trinidad and Tobago, Saint Lucia, Saint Vincent and the Grenadines, the United States Virgin Islands, Cuba, the Dominican Republic, Haiti, and the Commonwealth of Puerto Rico.

²⁰ Data taken from [ILOStat Data Explorer](#). Note Suriname data is from 2016.

²¹ Ibid.

unemployment rate of 12%. The unemployment rate for young women, at 23%, was much higher than that for young men, at 15%.²²

A more useful statistic is the number of youth in the region who are neither employed nor in school (either in formal education or technical training), summarized as the acronym NEET. In 2023, 20% of youth counted as NEET, and the number of female youth NEET, at 25%, was 1.6 times higher than male youth (at 15%).²³ This combination of low unemployment rates and high NEET numbers may indicate that youth feel discouraged about the prospects of finding



employment, and thus are not searching for work and or pursuing training. There is variation in country-level numbers for the eight countries that have relevant data on NEET youth. Barbados has particularly high youth NEET numbers, at 29% overall, with 32% for male youth and 26% for female youth. On the other hand, the Dominican Republic has the highest female youth NEET levels at 31%. Trinidad and Tobago has the lowest NEET in the region, at 14% for all youth, with 12% for male, and 17% for female youth (see Figure 9).²⁴ The assumption that low unemployment and high NEET numbers may indicate youth discouragement in finding employment differs from the KAP survey results. 75% of KAP respondents aged 16-24 reported feeling confident in their ability to secure formal employment when needed. However, 100% of the participants in this age group said they “sometimes” or “regularly” faced challenges applying for and/or receiving job training or apprenticeships.

To address these labor force challenges, one author proposes: “The urgent priority is to adopt a policy package aiming to increase labour force participation, particularly among youth, women, and rural workers through measures such as flexible work arrangements, subsidised childcare, skills development, and rural outreach programmes. Equally important are initiatives to activate disengaged youth and to manage labour migration effectively.”²⁵

3.4 Education and Workforce Skills Gap

One explanation for low labor force participation rates is the significant skills gap among available workers. The Caribbean population is well-educated with 54% of individuals having a secondary education or higher—significantly more than the 34% in the rest of the LAC region. However, the

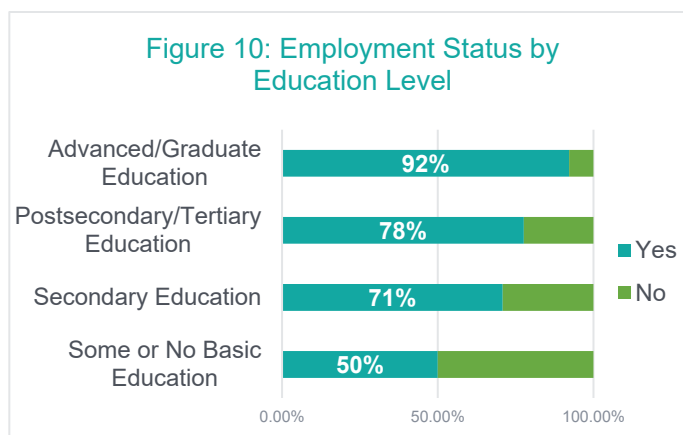
²² Global Employment Trends for Youth 2024: The Americas, ILO, August 2024, pg 3.

²³ Ibid., pg. 4.

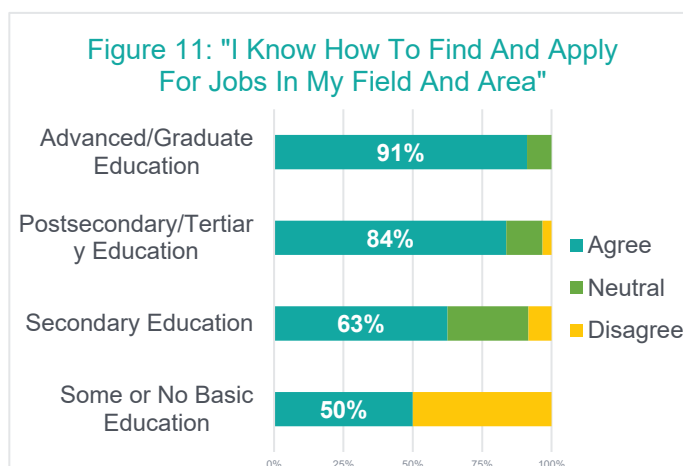
²⁴ Data taken from [ILOStat Data Explorer](#). Note Suriname data is from 2016.

²⁵ Muhummed, A., *Beyond tourism: A policy framework for economic diversification and job creation in the Caribbean*, ILO, 21 May 2025.

quality of education is insufficient. Student test scores on fundamental knowledge are relatively low, and graduates lack the practical skills needed to succeed in the modern workplace—both technical skills, such as computer proficiency, and professional skills, such as understanding workplace.²⁶ The KAP survey supported this finding, as a strong correlation was observed between education level and participants' work-force participation. 92% of those with advanced/graduate education were actively employed, compared to just 71% of those with secondary education (see Figure 10).



Similarly, KAP participants with higher levels of education were more likely to agree with the statement “***I know how to find and apply for jobs in my field and area***” (91% of those with advanced/graduate education versus 63% with secondary education) (see Figure 11). This group was also more likely to agree with “***I believe I am qualified for and can secure formal employment when needed***” (87% of those with advanced/graduate education versus 64% with secondary education).



The trend continued across the various KAP questions, suggesting a reliable correlation between higher levels of education, with greater confidence, knowledge and preparedness in key aspects of employability, finance and entrepreneurship, i.e. higher levels of economic self-efficacy.

A survey of Caribbean enterprises in 2020 showed the majority of respondents felt workforce quality was a challenge to their business performance (see Figures 12 and 13).²⁷ There are two reasons for this perception: educational institutions (both academic and vocational) are not training students in the skills needed by the private sector; and the highest educated individuals are emigrating, leaving too many unskilled workers and not enough skilled ones.²⁸ When asked for more details on what they thought the source of the skill shortages were, enterprises pointed to the quality and number of people trained and also the lack of soft skills training.²⁹ One significant challenge is the rapidly

²⁶ Beuermann, D. W., et. al. eds., Are we there yet? The path toward sustainable private sector development in the Caribbean, Interamerican Development Bank, 2024, pg. 58.

²⁷ Chart taken from Beuermann, D. W., et. al. eds., Are we there yet? The path toward sustainable private sector development in the Caribbean, Interamerican Development Bank, 2024, pg. 26.

²⁸ Ibid pg. 55.

²⁹ Ibid pg. 64.

changing technological skills required both for youth entering the workforce and existing workers. This issue is explored in more detail in the *Lack of Mobile Internet Utilization* section below.

Figure 12: Percentage Of Enterprises that Believe These are the Reasons for Skill Shortages (2020)

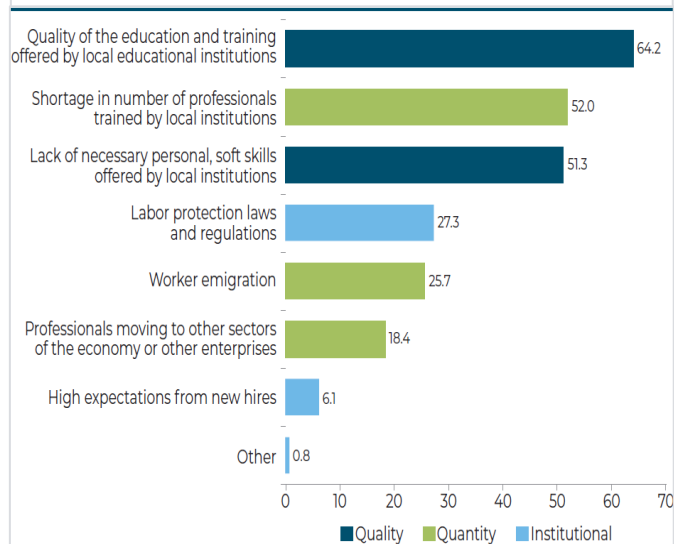
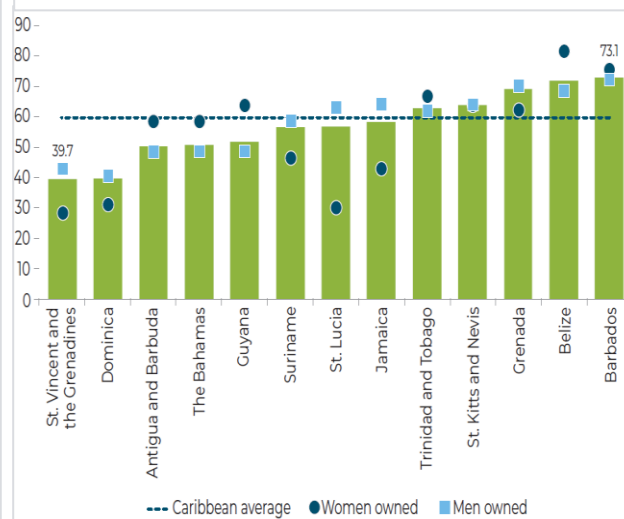


Figure 13: Percentage of Enterprises that Believe an Inadequately Educated Workforce is a Constraint in the Caribbean (2020)



Similarly, when asked in the Mercy Corps KAP survey to **“Select all that apply: What challenges or barriers have you faced when looking for a job or trying to stay employed?”**, 45% of participants selected

“Difficulty finding jobs that match my skills”, which was the most selected answer. Female participants were more likely than their male counterparts to identify this as a barrier (46% of women versus 33% of men) (see Table 2).

A country-specific assessment of the Dominican Republic in 2023 recommended the private sector close the skills gap across different sectors by “(a) leveraging performance based skills by private sector workers in industrial sectors such as logistics, [medical technologies], or other growing fields, based on successful work placements; (b) increasing labor force proficiency

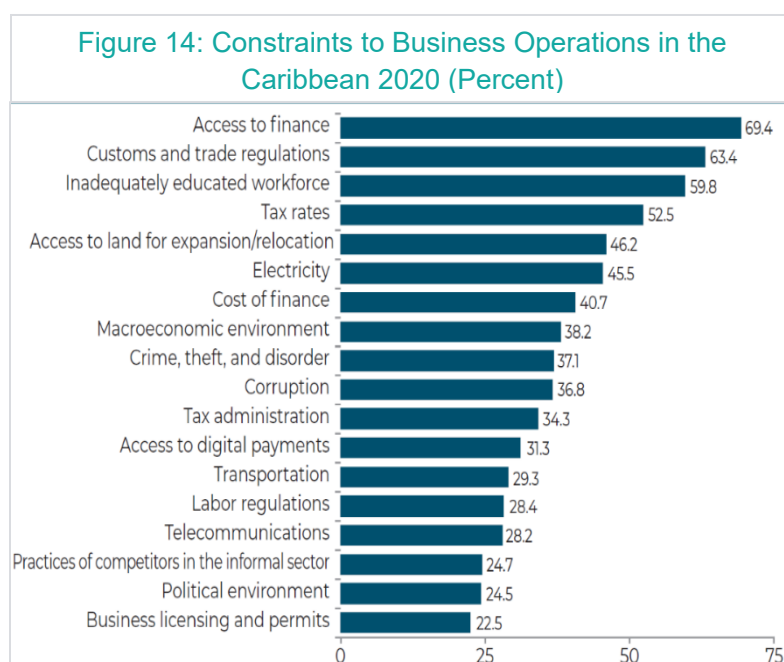
Table 2: Barriers KAP Participants Face in Looking for or Keeping a Job

Barriers to Employment	Percentage of Participants that Selected the Response
Difficult finding jobs that match my skills	45%
Other	27%
Discrimination (e.g. age, race, gender)	24%
Transportation Issues	21%
Not knowing where to look or how to apply for jobs	20%
Limited Education or Training	20%
Lack of work experience	18%
Childcare Responsibilities	15%
Lack of reliable internet or technology	7%
Health or Disability-Related Challenges	6%
Language Barriers	3%
Criminal Record	1%

in English through a comprehensive language program; (c) improving awareness of job and career opportunities in these growing sectors and increasing educational enrollment in STEM-related fields; [and] (d) increasing and scaling sector-specific training programs focused on specialization areas, technologies, and capabilities identified by firms in these growing sectors.”³⁰ While some of these recommendations are specific to the Dominican Republic (language skills and the focus on industries such as medical technologies), the rest are applicable to other jurisdictions across the region.

3.5 Enterprise Challenges

In 2020, an Innovation, Firm Performance and Gender Survey of formal small, medium, and large enterprises was conducted across 13 jurisdictions in the Caribbean (including 11 of the 12 in this program, except the Dominican Republic).³¹ The data showed that “most Caribbean firms are small (57%) or medium-sized (32%), owned by men (81% percent) or led by men (76% percent), and in the services sector (84%).”³²



Enterprises were asked their perceptions of the challenges and opportunities they face (see *Figure 14*).³³ As expected, the top constraint listed was access to finance, with 69% of businesses citing that challenge. The second constraint listed was customs and trade regulations (63% of respondents), which is also anticipated given the dependence on imports for inputs and the need to export to expand business market reach. Interestingly, the third constraint cited was an inadequately educated workforce, at 60%.³⁴

Most companies indicated they were interested in developing new products and services or improving how they operate. In particular, 85% of businesses in 2020 wanted to adopt digital

³⁰ County Private Sector Diagnostic: Creating Markets in the Dominican Republic, International Finance Corporation, October 2023, pg. xiii.

³¹ The survey defined small enterprises as <20 employees, medium as 20–99 employees, and large as ≥100 employees.

³² Beuermann, D. W., et al. eds., Are we there yet? The path toward sustainable private sector development in the Caribbean, IDB, 2024, pg. 81.

³³ The 13 jurisdictions included in the survey were Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. The survey was conducted by the [Compete Caribbean Partnership Facility](#) and gathered data from almost 2,000 small, medium, and large businesses, who were selected to represent formal businesses with more than five employees in manufacturing or service industries.

³⁴ Chart reprinted from: Beuermann, D. W. et al., eds., Are we there yet? The path toward sustainable private sector development in the Caribbean, IDB, 2024, pg. 44.

technologies into their operations, but only 8% had done so at that point. There were very minor differences between male and female-owned firms for both innovation patterns.

When asked about the primary obstacles keeping them from innovating, companies were consistent across general and digital innovations, listing the same top six issues.³⁵ More than 60% of firms that are potentially innovative, which means they want to innovate but have not yet done so, reported the following challenges (see *Annex B* for detailed tables on general and digital innovations).³⁶

- Qualification of employees (the top response for both general and digital innovations);
- Level of available financial resources;
- Degree of self-confidence for innovation;
- Current organization/managerial culture;
- Labor force lacks the skills required for innovation; and
- The market is too small for the cost of the innovation.

While there was limited Caribbean-specific data on the barriers faced by entrepreneurs or those interested in starting a business, the KAP explored this through several questions. Lack of business-related knowledge and experience was identified as a significant barrier for participants and this issue was prevalent across all demographic categories. In fact, compared to most other financial concepts explored in the survey, a much smaller percentage of participants:

- Knew where to apply for a small business loan/grant.
- Had ever applied for a business loan/grant.

Table 3: Barriers KAP Participants Face to Entrepreneurship

Barriers to Entrepreneurship	Percentage of Participants that Selected the Response
Lack of startup capital or funding	85%
Lack of a support system or mentorship	44%
Difficulty navigating legal or regulatory requirements	39%
Fear of failure or taking risk	38%
Lack of access to a business network or community	35%
Limited time due to other responsibilities (e.g. work, family etc.)	33%
Technology or equipment limitations	30%
Poor credit history or financial instability	20%
Not knowing where to begin	20%
Limited access to business training or education	18%
Other	6%

³⁵ The paper defined *digitally innovative firms* as those that introduced methods for information processing and communication in the three years preceding the data collection through such technologies as the Internet, wireless networks, cell phones, computers, software, middleware, video conferencing, social networking, and other media applications and services enabling users to access, retrieve, store, transmit, and manipulate information in a digital form. Beuermann, D. W. et al., eds., Are we there yet? The path toward sustainable private sector development in the Caribbean, Interamerican Development Bank, 2024, pg. 84.

³⁶ Beuermann, D. W. et al., eds., Are we there yet? The path toward sustainable private sector development in the Caribbean, IDB, 2024, pgs. 91, 92.

- Had taken steps to start a business (e.g., writing a business plan, registering a business).

Similarly, as mentioned earlier, lack of access to finance and customs and trade regulations were common barriers identified by enterprises in other surveys. These findings were supported by the KAP results, with 85% of respondents identifying “Lack of startup capital or funding” as their main barrier to starting a business, making it the most selected answer. “Difficulty navigating legal or regulatory requirements” was identified by 39% of respondents, making it the third most selected answer (see Table 3). Similarly, when asked the open-ended question “**What barriers do you face in achieving your economic goals?**”, lack of funding/financing for either a business or nonprofit was one of the most common responses.

3.6 Limited Access to Finance

Enterprises and individuals across the globe struggle to access necessary financing, but this is particularly acute in the Caribbean. Due to the history of high government debt in many jurisdictions, the banking sector prioritized servicing the national debt over lending to the private sector. Some countries made significant progress in recent years to lower their debt, especially Jamaica. Debt repayment should in theory free up more capital for consumers and businesses, but banks remain risk averse and non-innovative. Banks tend to rely on asset-backed lending, such as mortgages and car loans, or consumer credit and credit cards, rather than offering working capital and investment loans to businesses. The region also lacks reputable credit bureaus or other mechanisms to share credit histories, which are crucial to expand lending to new borrowers. The Dominican Republic may be the one positive example for private sector lending in the region, as it made a major push to expand digital banking in the last few years. The IDP reports the number of Fintechs in the country grew from six in 2018 to 65 in 2024, and it is now the regional leader in digital banking and electronic payments.³⁷

As a result of the limited banking sector, enterprises in the region utilize very few financial services. A survey in 2020 showed that enterprises used a range of approaches to address financial needs. The data revealed: 30% of enterprises used overdraft facilities³⁸; 22% used credit cards; 22% took medium loans; 18% took long-term loans; and 13% used lines of credit.³⁹ Additionally, “on average, three-quarters of investments in the Caribbean are financed with the firm’s internal funds.”⁴⁰ The impact of this situation can be seen in an analysis of the percentage of enterprises that struggle to access the credit they need, as defined as being fully credit constrained (FCC), partially credit

³⁷ Wirtz, N, *As Dominican Republic’s Fintech Sector Booms, Financial Inclusion Is Big Goal*, Global Finance. July 16, 2025.

³⁸ Overdraft facilities are short-term credit lines allowing customers to withdraw more than their account balance, up to a pre-set limit, with interest paid only on the overdrawn amount and a flexible repayment period.

³⁹ Beuermann, D. W. et al., eds., *Are we there yet? The path toward sustainable private sector development in the Caribbean*, IDB, 2024, pg 23.

⁴⁰ Ibid, pg 131.

constrained (PCC) and not credit-constrained (NCC).⁴¹ In 2020, 71% of enterprises in the Caribbean were classified as FCC (see Figure 15).⁴²

A deeper analysis of the reasons behind the credit constraints for five of the 12 jurisdictions yielded differences among jurisdictions, notably for small enterprises and women owned/led businesses (see Figures 16 and 17). High interest rates were a significant barrier in every jurisdiction except the

Bahamas and Suriname. In Jamaica, Suriname, and Trinidad and Tobago, 15% to 24% of small enterprises did not apply for a loan because they did not think they would be approved. While in Barbados, collateral requirements were a major hindrance.⁴³

Figure 15: Percentage of Enterprises that are Credit Constrained

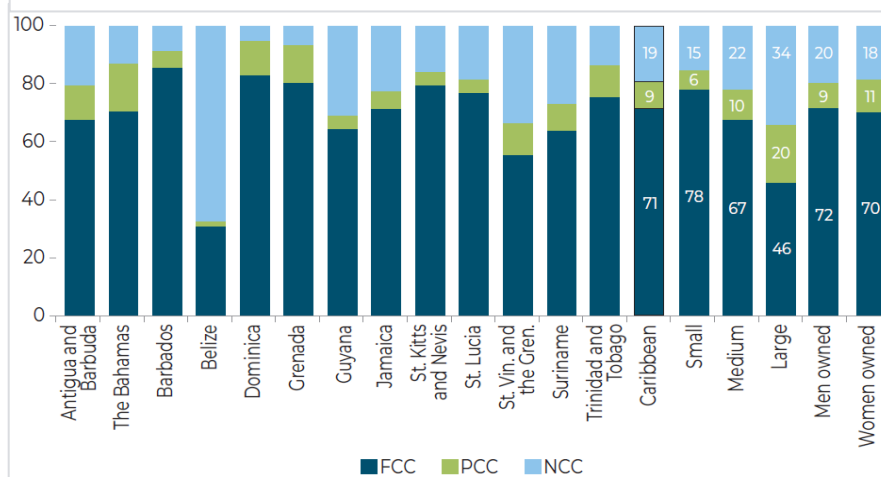
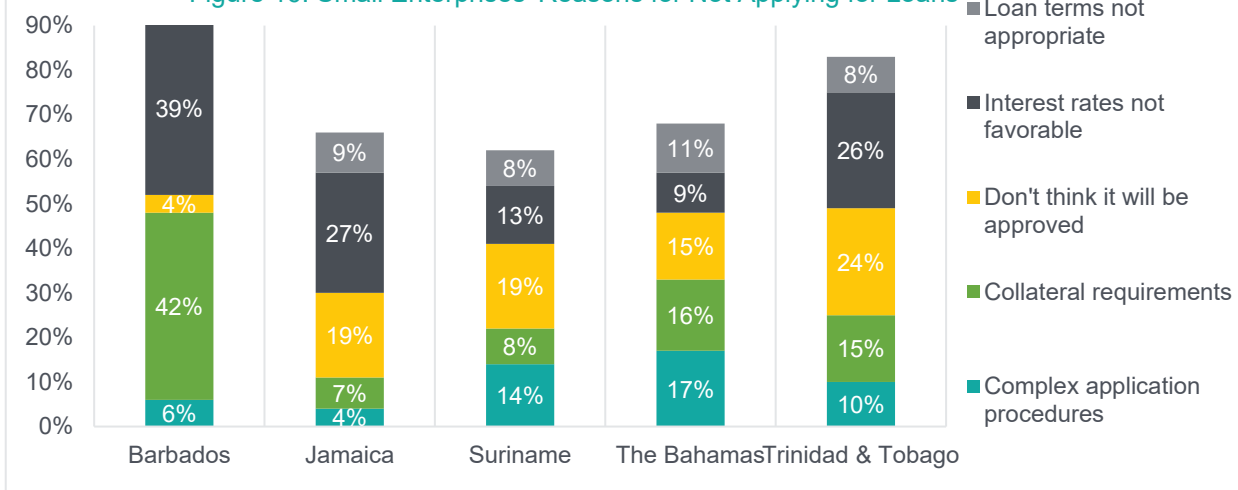


Figure 16: Small Enterprises' Reasons for Not Applying for Loans

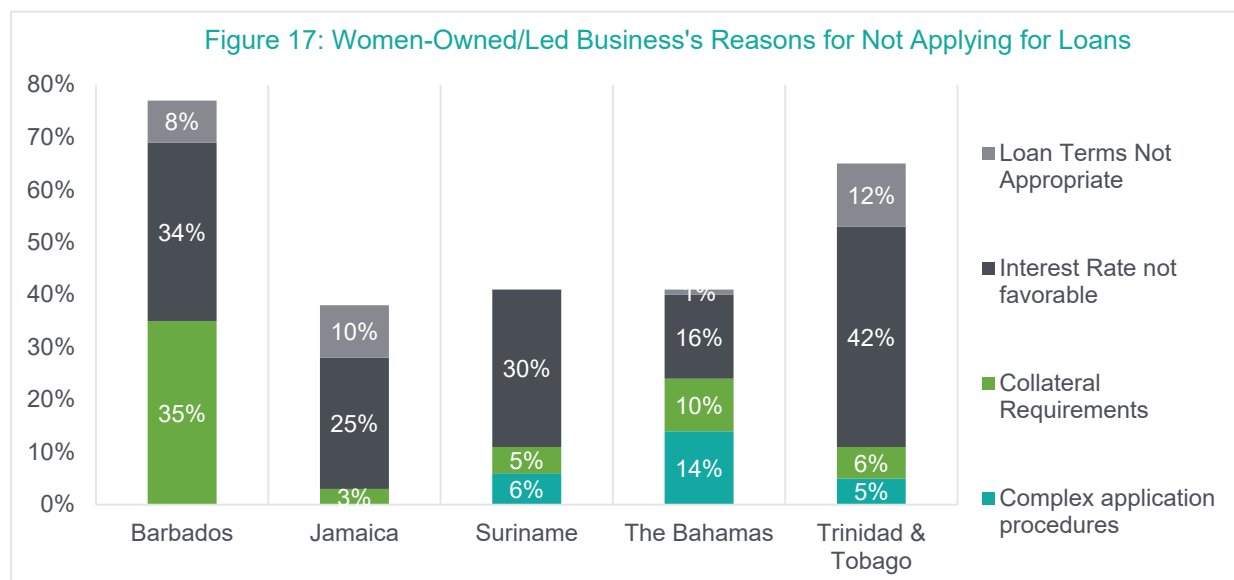


⁴¹ The IDB defines *fully credit-constrained* firms as those who did not use external sources of finance for working capital and investments in the previous fiscal year; applied for a loan during the previous year and the loan was rejected; or did not apply for a loan during the previous year for reasons other than having enough capital for the firm's needs. *Partially credit-constrained* firms are those that used external sources of finance for working capital and investments in the previous fiscal year and either did not apply for a loan during the previous year, for reasons other than having enough capital for the firm's needs, or applied for a loan but were rejected or only partially approved; or did not use external sources of finance for working capital and investments in the previous fiscal year but were partially approved for a loan or line of credit. *Not credit-constrained* firms did not apply for a loan during the previous year because they have enough capital for the firm's needs; applied for and were fully approved for a loan; or were fully approved for a loan or line of credit even if they had no external source of investment finance.

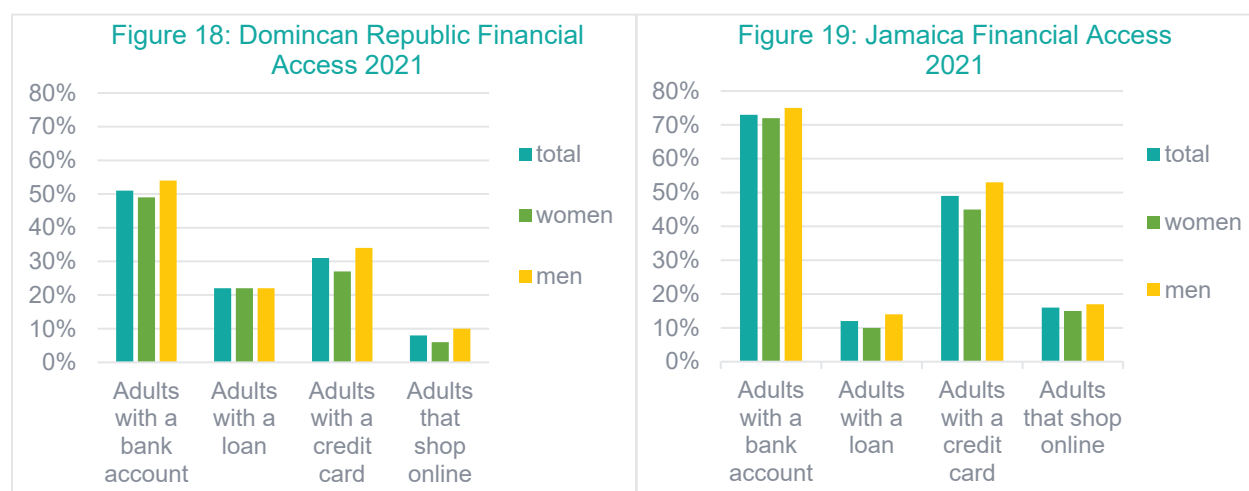
⁴² Ibid pg. 135.

⁴³ Mooney, H., et al., Finance for Firms: Options for Improving Access and Inclusion. *Caribbean Economics* 11(2). 2022, pg. 14.

For women-owned or -led enterprises, high interest rates were the most significant reason they did not apply for a loan. Interestingly, these enterprises did not cite concerns about being disapproved for the loan as a significant impediment.⁴⁴



There is minimal data on financial access and utilization of credit products by individuals in the region. The Dominican Republic and Jamaica are the only countries included in the World Bank's 2021 Global Findex Database, which measures how adults around the world access and use financial services. The results indicate a range of financial access, with more Dominicans (22%) accessing loans than Jamaicans (12%), but more Jamaicans holding bank accounts (73%) than Dominicans (51%) (see Figures 18 and 19).⁴⁵ The Dominican Republic's low level of finance access contrasts with the recent growth of Fintechs there. This is due to Fintechs focusing on the



⁴⁴ Ibid, pg. 15.

⁴⁵ <https://www.worldbank.org/en/publication/globalfindex>

population that is already banked. However, as Fintechs are reaching maximum penetration with the banked population, their efforts are shifting to target the unbanked population.⁴⁶

Mercy Corps' KAP survey also explored financial access and financial literacy. In the survey, only 34% of respondents agreed with the statement ***“It is easy for me to access financial information in my community”***. Therefore, it merits the conclusion that even in markets where credit and financial products are available, too few people are aware of them. However, with “lack of funding” as the number one selected barrier to achieving economic goals, the demand is clearly present.

One positive note is the widespread reach and usage of credit unions, which have a long history in some jurisdictions, and tend to service a lower income population than traditional banks. The World Council of Credit Unions (WOCCU) estimated that in 2023, credit union penetration rates reached as high as 219% in Dominica and 172% in Barbados (see Table 4).⁴⁷ This creates opportunities to partner with credit unions—particularly those focused on business members—to develop accessible financial products and expand lending to startups and small enterprises.

Table 4: Credit Union Penetration Rate	
Country	Penetration Rate
Dominica	219%
Barbados	172%
Grenada, St. Kitts, Trinidad & Tobago	100-110%
Jamaica	50%
Bahamas, Bermuda, Dominican Republic	17-18%
Suriname	2%

3.7 Lack of Mobile Internet Utilization

In the last decade, the Caribbean has experienced significant growth in mobile internet connectivity. According to the *Groupe Spécial Mobile Association (GSMA)*, “between 2015 and 2023, the number of individuals with access to 3G or superior mobile internet connectivity nearly doubled. These unique mobile internet connections increased from nearly 9 million in 2015 to over 17 million by the end of 2023.”⁴⁸ Despite the coverage increase, the trend in mobile internet usage is not as positive. In 2023 the mobile internet usage gap, which is defined as populations living in areas with existing mobile internet coverage but not accessing the internet, was more than 15 million people, representing 46% of the total Caribbean population.⁴⁹ There are also wide-spread differences between jurisdictions in mobile internet connectivity levels; for example, the Dominican Republic had a 26% usage gap in 2023 while Trinidad and Tobago’s was 52%.⁵⁰ The region’s total mobile connectivity picture and predictions for growth are depicted in Figure 20.⁵¹

⁴⁶ Wirtz, N, *As Dominican Republic's Fintech Sector Booms, Financial Inclusion Is Big Goal*, Global Finance. July 16, 2025.

⁴⁷ Penetration rates are calculated as the number of credit union members divided by the economically active population. Some people may belong to more than one cooperative/credit union. Data taken from WOCCU's 2023 Statistical Report. See full Caribbean credit union membership statistics in Annex C.

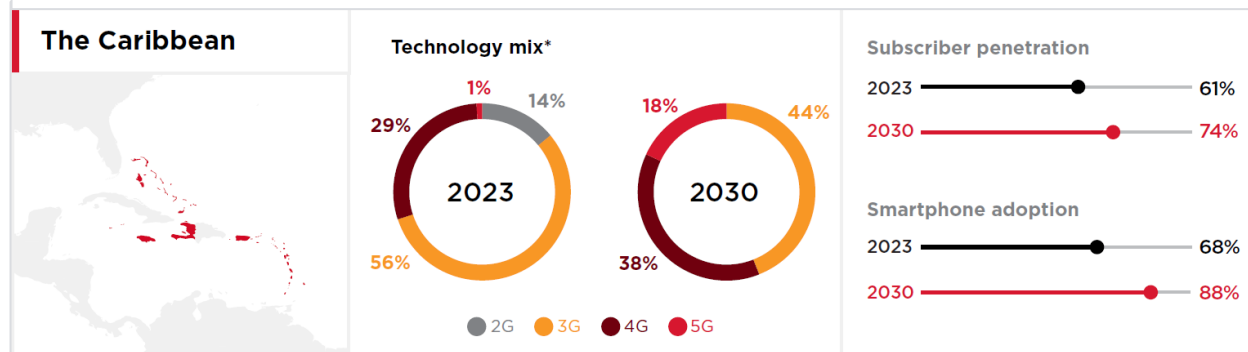
⁴⁸ Castells, P., Rattel, F., Amaya, F., *Mobile Investment Gaps: Caribbean Islands*, GSMA, July 2024, pg. 6.

⁴⁹ Ibid.

⁵⁰ Ibid, pg 11.

⁵¹ The Mobile Economy 2024: North America, GSMA Intelligence, 2024, pg. 8. The Caribbean includes the following countries or territories: Anguilla; Antigua and Barbuda; Aruba; Bahamas; Barbados; Bermuda; Cayman Islands; Curacao; Dominica; Grenada; Guadeloupe; Haiti; Jamaica; Martinique; Montserrat; Puerto Rico; Saint Kitts and Nevis; Saint Lucia; Saint Pierre and Miquelon; Saint Vincent and the Grenadines; Trinidad and Tobago; Turks and Caicos Islands; British Virgin Islands; and the US Virgin Islands.

Figure 20: Current Regional Mobile Connectivity and Future Projections



Given the low internet utilization rates, it is not surprising the region's economies remain in-person and cash-based. As Figures 18 and 19 show, only 8% and 16% of adults in the Dominican Republic and Jamaica, respectively, completed online purchases in 2021. Additional data available for the Dominican Republic in 2024 shows that 26% of the population completed in-store transactions with a card or phone, 20% paid a bill online, and the number of individuals completing online purchases had only increased by 10%.⁵² Some governments are also now digitizing social welfare payments, which may spur more online payment activity.

Levels of mobile and internet usage are important because technology has greatly changed the way businesses operate, and the skills people need to obtain and retain jobs. The Coronavirus pandemic (COVID) revealed the need for enterprises to implement digital payments and web-based sales. As a result, in 2020, regional enterprises wanted to adopt digital technologies, as explained in *section 3.5 Enterprise Challenges*. A 2024 study of Jamaica noted, "employment and labor productivity are higher in firms that use electronic devices, digital transaction technologies (such as mobile money to pay suppliers and receive customer payments), and digital management solutions (accounting and inventory control/point-of-sale software)."⁵³ Digital technologies are particularly important for internationally connected sectors, such as tourism, which increasingly relies on digital technology for travel planning, booking, and payments.⁵⁴ Beyond tourism, for the 12 SIDS included in the SCEG program, the digital economy offers significant opportunities to expand markets and opportunities beyond their borders.

The primary challenges Caribbean residents face to increase mobile internet usage are the high cost of hardware (handsets, Point of Sale devices, etc.), limited infrastructure, and limited markets for goods, content, and services.⁵⁵ The last issue, limited markets, can be broken down further into operational and structural aspects. Operationally, as noted in Section 3.6, Limited Access to Finance, Caribbean SIDS economies are primarily cash-based, with limited digital payment options. This makes online payments difficult, and as a result, very few companies accept mobile or

⁵² <https://digitalfinance.worldbank.org/country/dominican-republic>

⁵³ Digital Economy for Latin America and the Caribbean - Country Diagnostic: Jamaica, World Bank, April 2024, pg. 101.

⁵⁴ Rethinking Caribbean Tourism pg. xviii.

⁵⁵ Castells, P., Rattel, F., Amaya, F., Mobile Investment Gaps: Caribbean Islands, GSMA, July 2024, pg. 11.

electronic payments. Additionally, there are few online retailers, and these existing online retailers struggle to achieve profitable revenues. The primary structural challenge associated with limited markets is the shortage of skilled workers capable of producing digital content. As a result, the Caribbean remains significantly behind other regions in utilization of mobile- and internet-based business tools, making it increasingly uncompetitive in global marketplaces.

A 2024 World Bank compared the level of digital business activity across Latin American countries. This is defined as the number of digital businesses relative to a country's market size. Among selected Latin American and Caribbean jurisdictions highlighted, only Jamaica ranks above average for the region, while the Dominican Republic and Trinidad and Tobago had the lowest level of activity⁵⁶ countries surveyed.^[56] On the digital skills side, there is minimal data on existing digital skills among workers and potential workers in the region. In addition, the World Bank noted that in Jamaica there was little knowledge among the labor force about⁵⁷ digital skills are needed, the career paths open to individuals with these skills, and the available training opportunities.^[57] Interestingly, only 7% of the Mercy Corps' KAP survey participants selected **“Lack of reliable internet or technology”** as a barrier to employment. However, when asked about barriers to entrepreneurship, 30% of participants selected **“Technology or equipment limitations”**.

Nonetheless, there are a few notable examples of innovation worth examining. A number of Caribbean SIDS governments have prioritized the digital economy and skills, particularly Jamaica, Dominica, and the Dominican Republic. Donor programs have also funded digitally innovative enterprises, some of which have been successful (see *Annex D for a selected list of programs*). For example, D'Market Movers Ltd. has operated an online grocery store throughout Trinidad and Tobago since 2009.⁵⁸ In Dominica, MLajan is the country's first digital wallet, offering mobile payments, bill pay, and donation sites, and is backed by the Dominica Cooperative Societies League.⁵⁹ However, after four years of operation, it has only 250 merchants and 2,000 customers, underscoring the need to promote broader adoption of digital payments in the region. To create a vibrant digital economy in the region, there must be a three-pronged approach that includes: (1) training potential and current workers in necessary skills; (2) helping enterprises access the technology and resources needed; and (3) assisting enterprises in high potential sectors, such as tourism, to build an online presence.

3.8 Weak Business Resilience Capacities

The Caribbean is particularly vulnerable to natural disasters, especially hurricanes, but also less prominent disasters such as droughts. The ILO noted that “between 2003 and 2023, 274 disasters were recorded in the Caribbean...[and,] by 2050, annual losses related to extreme weather events will cost the Caribbean region an estimated US\$22 billion – equivalent to 10 percent of the regional economy ”.⁶⁰ The region also faces the risks, shocks, and stresses common to SIDS, such as small, undiversified economies, and the outsized impact of global currency and tariff fluctuations.

⁵⁶ Digital Economy for Latin America and the Caribbean - Country Diagnostic: Jamaica, World Bank, April 2024, pg. 103

⁵⁷ Ibid, pg. 121.

⁵⁸ Lewis, A., Afoon Jones, D., Dr. Ali, F., The Online Operation: Small Grocer Opportunity in a Digital World - Caribbean Development Trends, IDB, August 22, 2022.

⁵⁹ <https://www.mlajan.com/> and <https://www.instagram.com/reel/DND2Zi0MJ9x/>.

⁶⁰ Business resilience in Small Island Developing States: Lessons from the Caribbean and Pacific, ILO Brief, ILO, October 2024, pg. 2

Regrettably, there is limited data on how enterprises across the 12 jurisdictions have prepared for and adapted to past shocks and stresses, as well as on their resilience capacities, apart from assessments focused on COVID-related business challenges.

An ILO study in late 2024 highlighted that business resilience “often comes down to the awareness, knowledge and skills of business owners, managers and leadership teams. The study revealed that, despite efforts in the region to bolster business resilience—particularly by Chambers of Commerce—resilience activities remain poorly coordinated, and existing tools have yet to reach a significant number of MSMEs.

A comprehensive analysis of business resilience in Trinidad and Tobago provides valuable insights that are likely relevant to other jurisdictions. The report revealed that the majority of enterprises in the jurisdiction lack risk management and business continuity plans. Key obstacles to enhancing their resilience include insufficient skills and resources, limited contingency funds for recovery efforts, a lack of awareness about specific risks and their potential impacts, inadequate incentives to prioritize resilience planning, and challenges in identifying appropriate measures to implement.⁶¹ The perception from experts is that business sense/training is a bigger factor than enterprise size or risk awareness in implementing risk management activities. The assumption is that “many businesspersons do not see the value in these activities and do not believe they are important for the survival of the business.”⁶²

The report recommended the following actions to strengthen business resilience:⁶³

1. Build the capacity of enterprises to strengthen their resilience;
2. Increase access to risk insurance and disaster contingency funds in the event of serious disruption;
3. Increase enterprises’ collaboration among peers to broaden networks and learn about possible hazard solutions; and
4. Develop more unified and coordinated government support for business resilience.

3.9 Limited Business Development Services (BDS)

Financial and technical support services for enterprises in the Caribbean remain insufficient for the need. In the past, there have been a number of donor-supported programs that offered seed capital and training, but they were small-scale and time-bound. Additionally, “even in the countries where

⁶¹ Gonzales, G., Seenarine, K., Williams, R., Perspectives on business resilience in Trinidad and Tobago: A research report, Port of Spain: ILO, 2023, pg. 32.

⁶² Ibid., pg. 30.

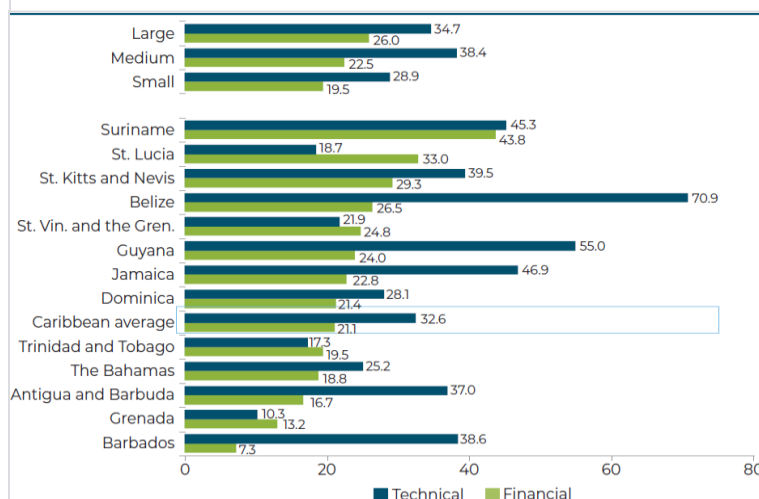
⁶³ Ibid. pg. 12.

these initiatives exist, the entrepreneurs that benefit from them lack follow-up supportive ecosystems to develop into start-ups and scalable enterprises.”⁶⁴ **“Lack**

of a support system or mentorship” was also the second most selected response to the KAP survey question regarding the biggest barriers entrepreneurs faced or expect to face when starting a business. There is additional anecdotal evidence that support services are concentrated in urban areas, especially the capital cities and ports, and/or on the main

islands. Similarly, Business Development Services (BDS) programs have been fragmented and lacking in sophistication, with limited customization for the specific enterprises involved and minimal integration with other initiatives. The private sector startup ecosystem (incubators, venture capital, etc.) is also less advanced than in other regions. As one author stated, an incongruent approach to BDS programming “is observed in some countries with overlapping initiatives, limited coordination, and business advisory services that make little to no differentiation in terms of the business model, stage, or lifecycle of the firms.”⁶⁵

Figure 21: Percentage of Enterprises Seeking Technical or Financial Assistance



Importantly, the 2020 survey of enterprises showed that more firms wanted technical assistance than financial assistance, with a prioritization of “digitalization and online production training programs for employees, and network programs to develop new foreign markets or new clients.”⁶⁶ This specific interest may stem from the COVID pandemic shutdowns and the resulting need to develop online operations. However, it is significant that, even amid the financial crisis caused by the pandemic, businesses placed a higher priority on technical support. There was some variation among the 12 targeted jurisdictions, with Jamaica (47%), Suriname (45.3%), and Barbados (38.6%) expressing the highest demand for technical support. In Saint Lucia, businesses reported the greatest demand for financial support (33%), which notably exceeded the demand for technical support (19%). In contrast, businesses in Grenada and Trinidad and Tobago demonstrated a nearly equal need for both types of assistance (see Figures 21). Mercy Corps’ KAP survey respondents ranked **“lack of startup capital or funding”** as the top barrier when starting a business, with **“limited access to business training or education”** at the bottom. These findings highlight a significant need—and opportunity—for enhanced and refined BDS services, including the development of ongoing support networks.

⁶⁴ Beuermann, D. W., et. al. eds., Are we there yet? the path toward sustainable private sector development in the Caribbean, IDB, 2024, pg. 108.

⁶⁵ Beuermann, D. W., et. al. eds., Are we there yet? the path toward sustainable private sector development in the Caribbean, IDB, 2024, pg. 141.

⁶⁶ Ibid., pg. 132.

4. Potential for Change

The report's findings indicate that the Caribbean faces numerous challenges and has yet to fully leverage its geographic and demographic advantages. While addressing macro-level issues through government programs and policies is essential, there is considerable opportunity to expand business and employment prospects through targeted initiatives led by organizations with robust networks and a deep understanding of local needs. Some specific areas where there are opportunities for positive impact with smaller scale investments are:

1. **Small Island Economies:** Within the context of SIDS, local needs can be addressed by a diverse group of MSME. Supporting entrepreneurs to **improve business planning and management** would be beneficial. Potentially even more important, is **linking entrepreneurs to each other and encouraging cooperation** for increased efficiencies, visibility, and joint activities. Initiatives should focus on supporting entrepreneurs seeking to enter new markets—especially regional or global ones—and on boosting employment by providing training and fostering connections with potential suppliers and buyers.
2. **Tourism:** Given the size and significance of the tourism sector, there remains considerable potential to enhance local engagement, particularly by capitalizing on the growing demand for authentic local experiences and high-end or adventure tourism, which can directly benefit local businesses. Targeted investments in innovative tourism-related start-ups or growth-oriented businesses could help them identify new opportunities, strengthen business management, and connect with regional and global networks, thereby significantly boosting local employment and revenue. Ideally, these businesses would collaborate with regional and multinational tourism stakeholders to promote sustainability. Additionally, enterprise support could be integrated with the skills training outlined below to expand the available workforce.
3. **Labor Force Participation and Workplace Skills Gap:** To capitalize on growth opportunities in tourism and other sectors, the population must develop more in-demand skills, particularly in information and communication technology (ICT), as well as other competencies required by the private sector. For job seekers, skills training programs linked to the private sector, along with mentorship and apprenticeships in key priority areas, would be highly beneficial. Additionally, job search assistance, counseling, and placement support should be provided. Soft skills training, essential for all areas of professional life, is also a critical need.
4. **Mobile Internet Connectivity:** Beyond training job seekers in ICT skills, supporting local enterprises in effectively leveraging digital tools and opportunities can be achieved by facilitating access to handsets and other costly equipment. This support could include directly providing assets or establishing co-working spaces where entrepreneurs can access equipment and receive guidance. Additionally, forming peer support groups would allow entrepreneurs to share knowledge, collaborate, and pursue joint opportunities to drive momentum and achieve scalability. Such initiatives should be closely tied to tangible business growth opportunities with the potential to generate employment.

5. **Access to Finance:** Given the risk-averse nature of the banking sector, initiatives aimed at helping enterprises secure bank loans—such as improving their creditworthiness, facilitating connections with banks, and supporting the loan application process—would be highly beneficial. Simultaneously, these initiatives should promote alternatives to traditional bank loans, such as connecting MSMEs with credit unions. For smaller-scale efforts, direct financial support (e.g., loan guarantee schemes or alternative financial services) is not recommended. Instead, the focus should be on assisting participants in building proper documentation and linking them to existing credit facilities.
6. **Weak Business Resilience:** Given the frequent threats faced by the Caribbean, enterprises require robust business continuity planning and resilience capabilities to sustain their operations. Expanding access to existing training and tools, such as the Chambers of Commerce toolkit, particularly for MSMEs, through accessible and practical training and support activities, could have a significant impact. Facilitating opportunities for peer support and shared learning would further strengthen this process.
7. **Lack of BDS:** In addition to the business support activities mentioned above, utilizing existing programs—such as the Development Bank of Jamaica’s BIGEE program (see Annex D for a list of relevant initiatives)—and fostering networks to energize the small and growing business ecosystem would be highly beneficial. These efforts should focus on expanding the reach of BDS services, connecting initiatives to promote knowledge sharing across the region, and enhancing sustainability through revenue-generation models and strategic partnerships.

5. Conclusion

Although the Caribbean is relatively small and consists of a collection of SIDS, its economies present numerous opportunities for growth. The Dominican Republic stands out as an outlier, with a significantly larger population and a more dynamic economy that is closely connected to Latin America. However, the other jurisdictions are far from uniform. For instance, Saint Lucia and Antigua and Barbuda rely heavily on tourism for revenue and employment, while Jamaica boasts a more diverse economy with agriculture as a key employment sector. Meanwhile, Suriname and Trinidad and Tobago benefit from energy sectors that generate substantial national revenue but offer limited employment opportunities. Therefore, localized initiatives aimed at improving job skills, employment opportunities, and livelihood outcomes must conduct thorough market research to ensure their plans align with local needs, capitalize on existing opportunities, and build on ongoing activities.

At the same time, there are shared challenges across the region. Educational systems are failing to equip students with the skills needed for modern careers, and the ongoing brain drain of educated individuals has created a significant skills gap—leaving an oversupply of unskilled workers and a shortage of skilled ones. As SIDS, these economies are small, heavily reliant on global markets, and consistently under-performing relative to their potential. To address this, there is an urgent need to enhance competitiveness in global markets by expanding tech-based businesses and focusing on high-growth sectors. This need is particularly pressing given the stagnant or declining populations across the region. The 12 jurisdictions must prioritize workforce development while simultaneously

supporting enterprises in adapting to the evolving global economy and strengthening their resilience, enabling them to create more employment opportunities.

While many of these challenges require action at the national and regional policy levels, significant progress can be made locally through targeted, small-scale interventions and investments. Non-profits, universities, and business associations can leverage local employment and entrepreneurship opportunities by grounding their efforts in robust market research. By collaborating with the private sector, these organizations can foster meaningful skills development and job creation while building sustainable services through alternative income-generation strategies. This analysis of the barriers and opportunities for employment and entrepreneurship will inform the design and implementation of the SCEG Program, aimed at improving economic prospects for individuals across the region. With carefully crafted interventions and innovative solutions to the challenges outlined above, SCEG can establish a strong foundation for scaling up promising initiatives in the future.

CONTACT

Jessica Pearl

Interim Director (through December 2025) | Caribbean Resilience Initiative

Jpearl@mercycorps.org

Allison Dworschak

Director | Caribbean Resilience Initiative

adworschak@mercycorps.org

About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.

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45 SW Ankeny Street
Portland, Oregon 97204
888.842.0842
mercycorps.org

Annexes

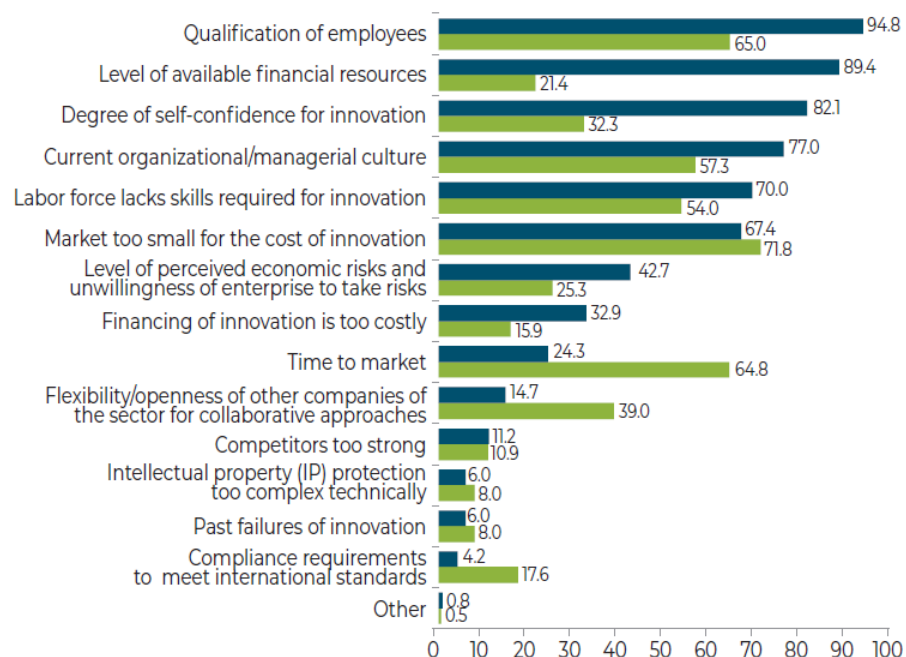
Annex A: Emigration Data for 11 of the 12 Jurisdictions

	Percentage of Workforce that Emigrated to OECD Countries by Education Level			Emigration Loss Plus Estimated Education Expenditure (Percent of GDP)	Remittances (Percent of GDP, average 1980-2012)
	Primary	Secondary	Tertiary		
Antigua and Barbuda	3	57	56	13.2	3.0
The Bahamas	2	10	58	4.4	na.
Barbados	10	24	61	18.5	2.3
Belize	4	54	62	6.8	4.7
Dominica	8	56	49	11.5	8.4
Grenada	7	61	75	11	11
Guyana	7	35	80	9.5	1.9
Haiti	2	27	79	9.0	10.1
Jamaica	5	29	78	20.4	7.4
St. Kitts and Nevis	8	31	65	9.7	6.9
St. Lucia	2	13	53	3.8	4.0
St. Vincent and the Grenadines	4	23	71	10.7	7.2
Suriname	18	44	90	7.8	0.5
Trinidad and Tobago	3	17	68	16.8	0.3
Average	6	34	68	10.9	5.2

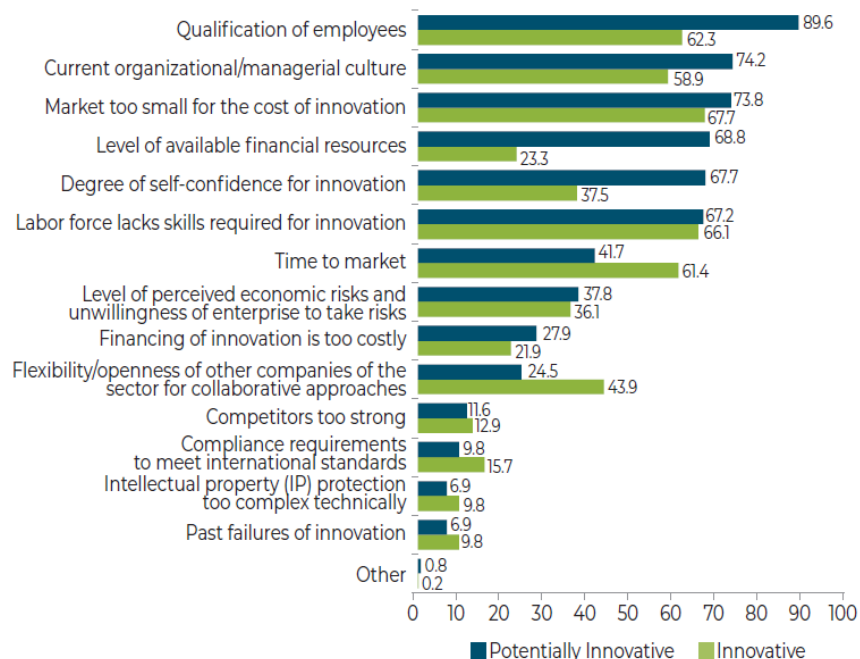
Table reprinted from Bauermann, D. W., Dohnert, S., Mooney, H., Sierra, R. eds., *Are we there yet? The path toward sustainable private sector development in the Caribbean*, IDB, 2024, pg. 74.

Annex B: Obstacles to Business Innovation – Perception of Enterprises in the Caribbean

General Innovation



Digital Innovation



Reprinted from Bauermann, D. W., Dohnert, S., Mooney, H., Sierra, R. eds., *Are we there yet? The path toward sustainable private sector development in the Caribbean*, IDB, 2024, pgs. 91-92.

Annex C: Detailed Information on Caribbean Credit Unions

2024 CONSOLIDATED STATISTICS

as at December 31, 2024 in U.S \$

Affiliates	Number of Credit Unions	Membership	Total Savings (Shares & Deposits)	Loans Outstanding	Reserves	Total Assets	No. of Employees
Anguilla	1	4,512	\$ 18,530,249	\$ 16,473,517	\$ 893,670	\$ 23,941,076	27
Antigua & Barbuda	8	48,266	\$ 206,173,411	\$ 180,216,318	\$ 9,517,416	\$ 243,040,633	132
Bahamas	6	50,690	\$ 447,646,000	\$ 253,827,000	\$ 103,341,000	\$ 517,819,000	200
Barbados	24	247,725	\$ 1,421,479,254	\$ 1,011,458,877	\$ 170,579,800	\$ 1,632,055,693	606
Belize	8	174,447	\$ 585,186,216	\$ 388,339,095	\$ 106,752,337	\$ 729,925,898	382
Bermuda	1	7,457	\$ 37,335,979	\$ 21,083,986	\$ 1,202,031	\$ 39,442,780	9
Cayman Islands	1	20,271	\$ 719,315,374	\$ 571,042,064	\$ 64,980,525	\$ 788,090,476	69
Curacao (FEKOSKAN)	5	28,645	\$ 177,860,979	\$ 89,009,983	\$ 8,369,303	\$ 197,570,213	144
Dominica	6	88,802	\$ 446,949,080	\$ 367,638,875	\$ 46,258,328	\$ 492,954,953	315
Grenada	10	90,617	\$ 438,136,800	\$ 410,919,411	\$ 15,154,834	\$ 568,328,633	338
Guyana	18	15,371	\$ 21,729,320	\$ 13,449,854	\$ 2,504,179	\$ 35,808,918	131
Jamaica	24	1,064,618	\$ 985,923,968	\$ 858,219,283	\$ 210,511,675	\$ 1,250,771,342	1,534
Montserrat	1	4,299	\$ 26,892,380	\$ 19,685,453	\$ 1,276,424	\$ 29,681,468	15
St. Kitts & Nevis	4	39,583	\$ 210,365,774	\$ 169,071,287	\$ 30,990,849	\$ 259,371,259	139
St. Lucia	13	96,646	\$ 363,038,118	\$ 344,364,764	\$ 20,735,998	\$ 463,067,191	257
St. Vincent & The Grenadines	4	82,332	\$ 258,484,293	\$ 179,232,062	\$ 17,987,090	\$ 260,635,888	215
Trinidad & Tobago	63	588,015	\$ 1,446,026,579	\$ 948,849,431	\$ 249,602,401	\$ 1,766,874,345	1060 (est)
SUB-TOTAL	197	2,652,296	\$ 7,811,073,774	\$ 5,842,881,260	\$ 1,060,657,860	\$ 9,299,379,766	4513
Non-Affiliated Credit Unions							
Barbados	1	364	\$ 752,126	\$ 521,092	\$ 131,931	\$ 888,066	-
Guyana	2	30,096	\$ 25,326,349	\$ 24,803,164	\$ 2,135,145	\$ 33,264,419	46
St. Lucia	3	47,102	\$ 164,040,392	\$ 120,999,044	\$ 112,572,552	\$ 197,188,992	115
Trinidad and Tobago	17	173,780	\$ 976,846,073	\$ 518,194,310	\$ 443,113,345	\$ 1,159,704,390	
SUB-TOTAL	23	251,342	\$ 1,166,964,940	\$ 664,517,610	\$ 557,952,973	\$ 1,391,045,867	161
TOTAL	220	2,903,638	\$ 8,978,038,714	\$ 6,507,398,870	\$ 1,618,610,833	\$ 10,690,425,633	4674

Table reprinted from Caribbean Confederation of Credit Unions, 2024 Annual Report.

Annex D: Other Relevant Programs

The main funders of relevant programs in the Caribbean are the IDB and ILO, who maintain a portfolio of time-bound projects that cover portions of the region. These entities, along with the World Bank and bilateral donors, fund a number of government-led initiatives to improve the business and skill-building ecosystem, often in collaboration with technical institutes within the region's universities. There are also foundations, business associations, and non-profits active in the region supporting enterprise support and skills training, generally at a small scale. A partial list of relevant programs follows:

Selected IDB-funded Programs:

- **One Caribbean** is the IDB's umbrella program to take a comprehensive, regional approach to promoting sustainable development. It implements a number of programs across *Barbados, Belize, Guyana, Jamaica, Suriname, the Bahamas, and Trinidad and Tobago* both at the government- and private sector-levels and has operated since 2024.
- **CARIBEquity**, a joint EU and IDB program started in 2023, aims to use a blended finance facility to consolidate a *Caribbean* investment ecosystem for inclusive private sector innovation, enabling startups, early stage and growth-oriented Small and Medium-Sized Enterprises (SMEs) to innovate, thrive and create jobs. In December 2024 they announced their first cohort of eight recipients - a mixture of universities, government entities, and incubators - who are listed at the end of this Annex.
- The Development Bank of *Jamaica* (DBJ) has operated the **Boosting Innovation, Growth and Entrepreneurship Ecosystems (BIGEE) Programme**, funded by the IDB and EU, since 2020 to transform Jamaica's entrepreneurial ecosystems through grant funding, capacity building, institutional strengthening, and equity financing. This includes a component to empower MSMEs that, as of July 2025, has disbursed over US\$9.9M to more than 1,462 Jamaican MSMEs.

ILO portfolio:

ILO's regional office is in Trinidad and Tobago and ILO programs service three member States and 9 non-metropolitan territories, including Antigua and Barbuda, the Bahamas, Barbados, Dominica, Grenada, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, and Trinidad and Tobago. The Dominican Republic comes under its Latin American portfolio.

- In *Jamaica* it implements a Just Transition Project that is looking at comprehensive strategies to address both climate-related challenges and its effects on the world of work and identifying pathways for transitioning to a green economy without leaving any worker behind.
- In *Suriname* the Decent Work Country Program is operating from 2023-2026 to support environmentally sustainable and diversified economic growth and sustainable enterprise development; offer workforce skills development, employment services, and a coherent and universal social protection system; and improve labor market governance.

Other Programs:

- **JUMP**, an initiative by Cable and Wireless Charitable Foundation (CWCF) in collaboration with regional governments, private sector companies, and the Mona School of Business Management (MSBM) through the Caribbean School of Data (CSOD), was officially launched in August 2023. JUMP trains participants in *Barbados, the Bahamas, Grenada and Jamaica* in entry-level digital skills to make them more employable for entry-level digital and data-focused employment. In addition to digital skills training, all JUMP participants are provided with laptops and access to significantly subsidized internet service. In 2024 the program graduated over 150 trainees.
- **Project Star (Social Transformation and Renewal)** in *Jamaica* is a social and economic transformation initiative created by the Private Sector Organisation of Jamaica (PSOJ) in partnership with the Jamaica Constabulary Force (JCF) to bring about societal transformation through targeted interventions in under-resourced areas of Jamaica. It has operated a range of activities, including job readiness programs for individuals and business canvas training for MSMEs.
- **The Caribbean Chambers of Commerce (CARICHAM)** is an alliance of 24 chambers of commerce in the region and implements a number of relevant training and networking activities. They offer online guidance and a toolkit on **business resilience** for SMEs. As well as focusing on natural hazards, such as hurricanes, floods and earthquakes, the toolkit covers technological risks, such as cyberattacks and telecommunications failures, and societal risks, such as violence and conflict. The national chambers take the lead in promoting the toolkit to their members and training them on how to use it.
- **The Caribbean Tourism Organization** is a government and private sector membership organization to promote regional tourism. It offers a leadership skills certificate and a range of online tourism-related skills training and training-of-trainer kits through the **Caribbean Tourism Institute**. It is unclear from the available information what the uptake rates are.
- **The St. Lucia Hospitality and Tourism Association** is a non-profit membership organization that offers tourism-related training courses, apprenticeships, and local business development through its **Tourism Enhancement Fund**, which is funded by donations from every visitor to the island.
- In *Grenada*, the **Caribbean Digital Transformation Project**, funded by the World Bank and housed in the Ministry of ICT offers a free training program designed specifically for small and medium-sized enterprises (SMEs) looking to benefit from digital transformation and a technology-adoption grant.
- The *Jamaican* **National Human Employment and Resource Training (HEART)**, part of the Ministry of Education, Skills, Youth, and Education offers private-sector focused job training, apprenticeships, job placement, and labor market information. It also manages a national job corps and has offers entrepreneurship training.

- The UN Capital Development Fund (UNCDF) implemented a program in 2023 in *Trinidad and Tobago*, the **Caribbean FinTech Sprint for Financial Inclusion**. The aim was to promote financial inclusion through digital payments and broader digital finance solutions particularly for women and other vulnerable groups. It is not clear if any of the participating businesses are still operational. This is an example of the many small programs that have been implemented in the region with minimal long-term impact.

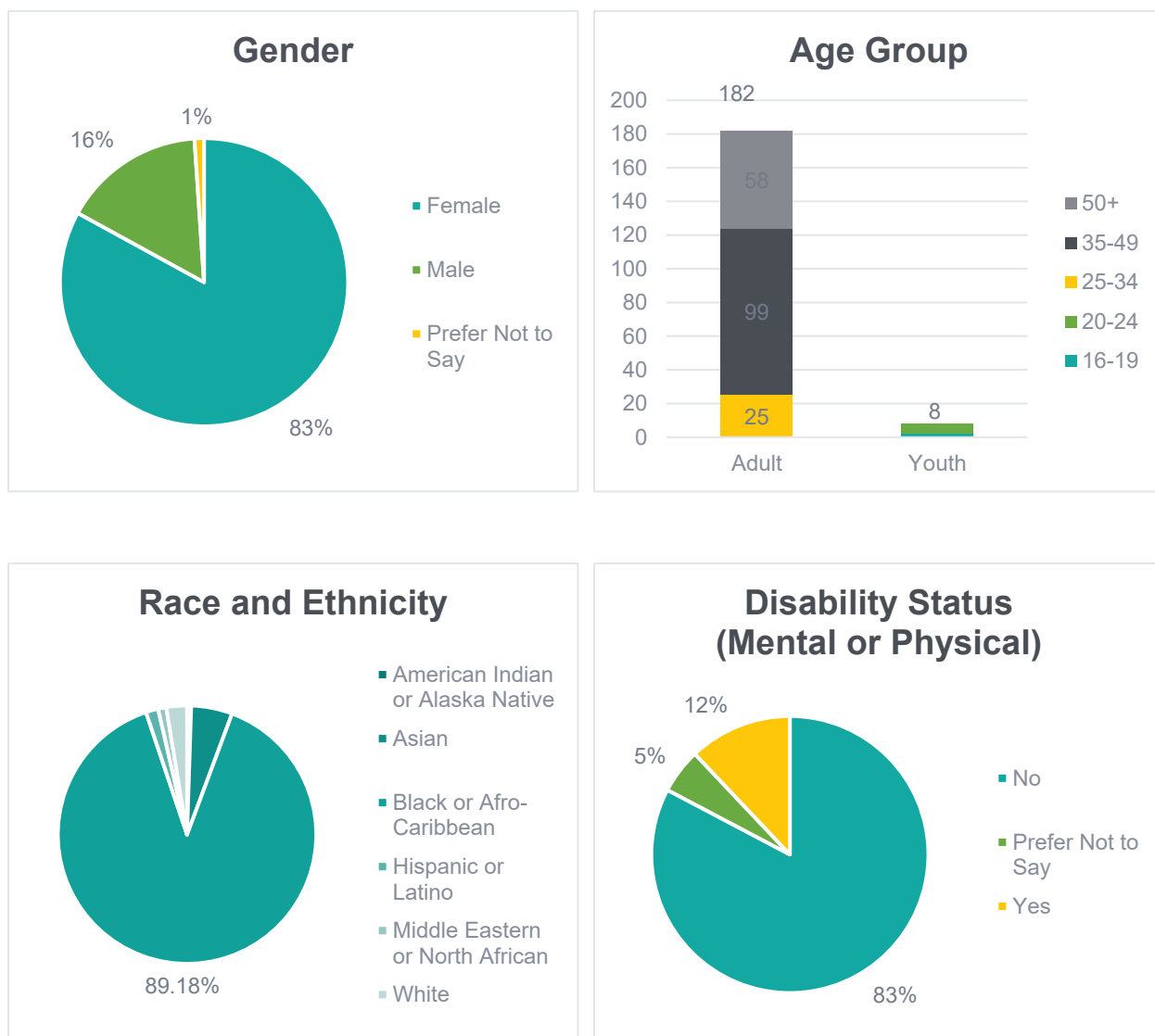
CARIBEquity's Finalists in the 2024 Ecosystem Challenge:

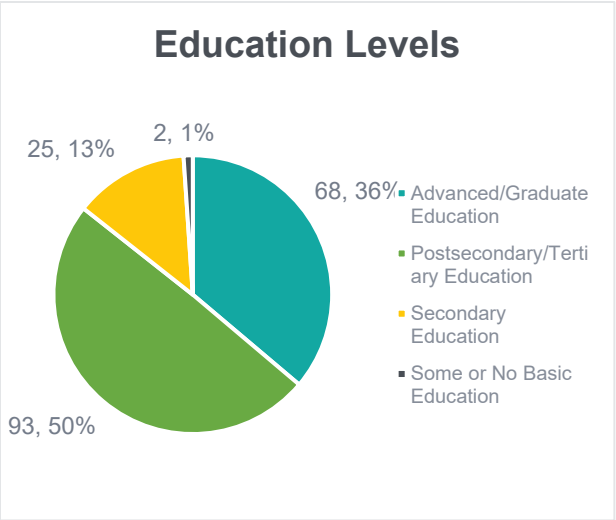
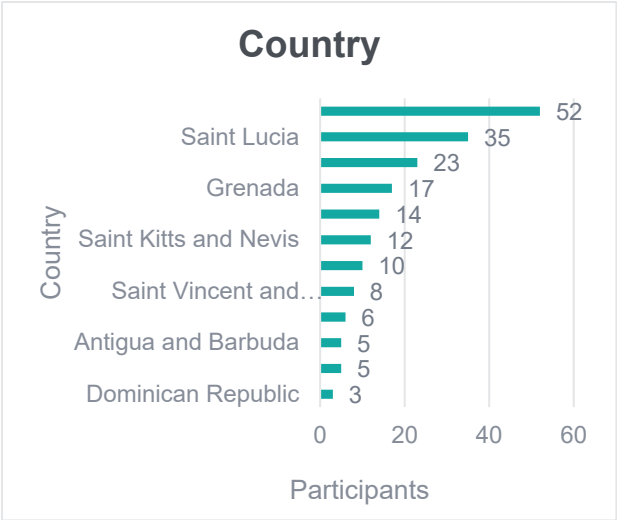
In December 2024, **CARIBEquity** announced the 10 finalists selected for funding from its Innovation Ecosystem Challenge Fund, with a total support of up to US\$3 million. The finalists are:

1. Barbados: "Pathway to Impactful Research: Translating Research into Real-World Solutions" implemented by The University of the West Indies Cave Hill Campus - Winston Moore.
2. Dominican Republic: "LAB EMPRENDE UCE" implemented by Universidad Central del Este – UCE. <https://newuce.uce.edu.do/index.php/vinculacion/emprendelab-uce/>
3. Dominican Republic: "Ecosistema de Innovación Manufacturera en República Dominicana" implemented by Centro de Desarrollo y Competitividad Industrial (PROINDUSTRIA) <https://proindustria.gob.do/>
4. St. Lucia: "EOG - Acceleration Program for B2B startups empowering Inclusive Entrepreneurship and Agribusiness" implemented by EOG SL Ltd (Entrepreneurs Of Greatness). <https://www.linkedin.com/company/eog-entrepreneurs-of-greatness/about/>
5. St. Lucia: "Orbtronics Innovation Hub" implemented by Orbtronics - Keeghan Patrick <https://www.orbtronics.co/about-us>
6. Suriname: "Animation Acceleration Hub: Empowering Caribbean Talent for the Global Market" implemented by Creative Tech Hub Caribbean. <https://creativetechhub.online/>
7. Suriname: "Business Innovation & Growth Incubator Center (BIG-IC)" implemented Stichting Polytechnic College.
8. Trinidad and Tobago: "IGNITE the World" implemented by Caribbean Dragons. <https://www.caribbeandragons.org/>; and <https://www.guardian.co.tt/business/caribbean-dragons-looks-to-boost-start-ups-6.2.2034623.901f089214>
9. Trinidad and Tobago: "Proposed AI Lab Initiative: The University of Trinidad and Tobago's Path to Innovation" Implemented by The University of Trinidad and Tobago.

Annex E: KAP Survey Participant Demographics

The survey had **191** distinct participants. A variety of demographic questions were asked, including age, location, gender, education level, ethnicity/race, disability and work status. The tables and graphs below present the profiles of those who participated in the survey.





Annex F: KAP Correlation Analysis

A correlation analysis confirmed a positive correlation between education level and various factors related to positive economic literacy and work-force participation. The table below demonstrates for which questions there was a positive correlation (of varying degrees) between the question and the participant's education level. Meaning, participants with higher education levels were more likely to respond with "Agree" or "Strongly Agree" to these questions. All observed correlations were statistically significant. (Note: The P-value is the probability that the observed effect would have occurred by chance if, in reality, there was no true effect. A p-value below 0.05 means the correlation observed is "statistically significant," or unlikely to have been due to chance).

KAP Question (Strongly Agree to Strongly Disagree)	Correlation with Education	Correlation Relationship	P-value	Statistical Significance
<i>I know the key steps in the job application process (e.g., resume writing, cover letters, interviews).</i>	0.396	Moderate Positive	0	Yes
<i>I understand concepts related to budgeting and saving money.</i>	0.376	Moderate Positive	0	Yes
<i>I know how to find and apply for jobs in my field and area.</i>	0.332	Moderate Positive	0	Yes
<i>I believe I am qualified for and can secure formal employment (legally recognized and regulated employment relationships, and employee benefits like social security and paid leave) when needed.</i>	0.274	Low Positive	0.0001	Yes
<i>I know where to go and how to apply for a small business loan or grant.</i>	0.273	Low Positive	0.0001	Yes
<i>I feel confident about the financial choices and decisions I make for my family.</i>	0.249	Low Positive	0.0005	Yes
<i>I have the knowledge/ skills one would need to start a business.</i>	0.169	Low Positive	0.0194	Yes

A correlation analysis showed no real correlation between gender and the various factors related to economic literacy and work-force participation.

KAP Question (Strongly Agree to Strongly Disagree)	Correlation with Gender	Correlation Relationship	P-value	Statistical Significance
<i>I know the key steps in the job application process (e.g., resume writing, cover letters, interviews).</i>	-0.01	Low Negative	0.8944	No
<i>I understand concepts related to budgeting and saving money.</i>	0.071	Low Positive	0.3308	No
<i>I know how to find and apply for jobs in my field and area.</i>	0.026	Low Positive	0.7196	No
<i>I believe I am qualified for and can secure formal employment (legally recognized and regulated employment relationships, and employee benefits like social security and paid leave) when needed.</i>	-0.132	Low Negative	0.072	No
<i>I know where to go and how to apply for a small business loan or grant.</i>	-0.028	Low Negative	0.7062	No
<i>I feel confident about the financial choices and decisions I make for my family.</i>	0.084	Low Positive	0.2487	No
<i>I have the knowledge/ skills one would need to start a business.</i>	0.071	Low Positive	0.3326	No

Annex G: KAP Survey Questions

Select from the options

1. Where are you responding from?
2. Please select your gender.
3. Please select your age range.
4. Please select your highest education level.
5. What ethnicity do you identify as?
6. Do you consider yourself to have a disability or long-term health condition (mental health and/or physical health).
7. Current Work Status.

Strongly Agree to Strongly Disagree

8. I understand concepts related to budgeting and saving money
9. I feel confident about the financial choices and decisions I make for my family.
10. I know the key steps in the job application process (e.g., resume writing, cover letters, interviews).
11. I know how to find and apply for jobs in my field and area.
12. I know where to go and how to apply for a small business loan or grant.
13. I have the knowledge/ skills one would need to start a business.
14. It is easy for me to access financial information in my community.
15. It is easy for me to generate enough income to support my household.
16. I believe I am qualified for and can secure formal employment (legally recognized and regulated employment relationships, and employee benefits like social security and paid leave) when needed.
17. I believe I am qualified for and can secure informal employment (work arrangements that are not officially recognized, regulated, or protected by national labor laws and social security systems) when needed.
18. I am confident in my ability to learn new skills to join the job market/ become employed.
19. I am currently bringing income into my household.
20. I keep track of my income and expenses.
21. I participate in decisions about household income or spending.
22. I have faced challenges applying for and/or receiving job training or apprentices.
23. Caregiving or domestic responsibilities (e.g., children, elderly) are a barrier to my participation in training or work or business?
24. I have, in the past, applied for a loan or grant for business use.
25. I have experience taking steps towards starting a business (e.g., writing a business plan, registering a business).

Open-ended response

26. What barriers do you face in achieving your economic goals?

Select all that apply

27. Select all that apply: What challenges or barriers have you faced when looking for a job or trying to stay employed?
28. Select all that apply: What are the biggest barriers you've faced or expect to face when starting a business?

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