



Caribbean Employment & Entrepreneurship: Pathways Forward

Strengthening Caribbean Economic Growth (SCEG)

The U.S. Department of State-funded SCEG program aims to build the economic capacity and job skill sets of individuals aged 16 and older. To achieve this goal, Mercy Corps will launch a small grant challenge to implement solutions that measurably improve job skills training, employment opportunities, and livelihood outcomes within 12 jurisdictions in the Caribbean.

Methodology

To identify the key barriers to employment and entrepreneurship across the Caribbean, Mercy Corps conducted a review and analysis of existing data and research, complemented by its own Knowledge, Attitudes, and Practices (KAP) survey, which included nearly 200 respondents.

Key Barriers

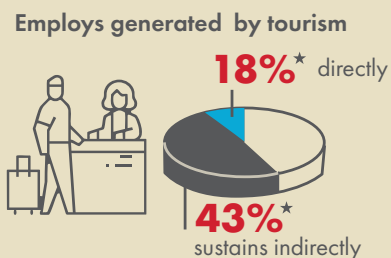
1 Small Island Economies

Jurisdictions are characterized by dependence on imports for key goods, high transportation and connectivity costs, substantial government debt, and high emigration rates, especially among educated individuals.

2 Tourism Relevance

The tourism sector remains a key source of GDP and employment for women and youth, although these jobs are often low-paid and unstable. With more strategic investment, the sector presents substantial opportunities for local business expansion and the creation of higher-quality jobs.

★ Macro Stats ▲ KAP Stats



3 Business Development Services and Resilience

Entrepreneurs face challenges due to limited business knowledge and a lack of mentorship and networking support needed to successfully start or expand their business. There is strong demand for technical assistance in areas such as business planning, digitalization, and risk management; the availability of these services is insufficient.



44%▲ of respondents identified "Lack of a support system or mentorship" as their main barrier to starting a business

4 Labor Force Participation



64%★ is the average participation in the Caribbean is with a large percentage employed informally.

High rates of youth who are neither employed nor enrolled in formal education or technical training (NEET) indicates discouragement in seeking employment, whether due to a lack of skills and confidence or difficulties in securing jobs.



20%★ of youth are not engaged in education, employment, nor training.

Surveys of both business owners and job seekers revealed a significant gap between employer needs and skills available in the workforce. This mismatch is primarily due to the misalignment of institutional curricula with private sector needs and the high emigration rates of skilled professionals.



60%*

of enterprises say the workforce's lack of relevant skills is a significant business challenge.



45%[^]

of participants reported "Difficulty finding jobs that match my skills" when asked about barriers to employment.

The primary challenges include limited access to finance, restrictive customs and trade regulations, and an inadequately educated workforce. These barriers hinder the creation of new products, services, and innovations—particularly in digital technology—that could drive market growth and increased employment.



68%*

of those with post-secondary education leave the region for better job opportunities.

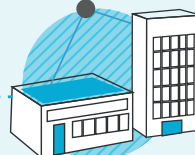
Recommendations

Although certain 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 capitalize on local employment and entrepreneurship opportunities informed by robust market research.

Addressing low labor force participation rates

Technical and soft skills training connected to the private sector, paired with apprenticeships and job placement support, can equip skilled individuals for quality employment, driving business growth and fostering local economic development.

Opportunities for positive impact with smaller scale investments



Supporting business development

Expanding tailored, on-demand training, resources, support programs, and opportunities for peer collaboration and learning will help aspiring entrepreneurs and established businesses to thrive and increase employment.

Expanding the digital economy

Enhancing the digital capabilities and online activities of local enterprises and employees will enable them to access new markets, launch new products and services, scale their operations, and hire more workers.



Expanding access to finance

Developing alternatives to traditional bank loans, facilitating efforts to build credit histories, and connecting enterprises to financial services will support both business and economic growth.