#### EDUCATION AND ENTERPRISE: BLACK AGENCY AND ACHIEVEMENTS



Report for consideration during the  $32^{nd}$  Session of The Working Group of Experts on People of African Descent

## RESPONSE TO CALL FOR WRITTEN SUBMISSIONS: ECONOMIC EMPOWERMENT OF PEOPLE OF AFRICAN DESCENT

## SUBMITTED TO THE 32<sup>ND</sup> SESSION OF THE WORKING GROUP OF EXPERTS ON PEOPLE OF AFRICAN DESCENT

#### TO BE HELD AT

# PALAIS DES NATIONS, UNITED NATIONS HEADQUARTERS GENEVA, SWITZERLAND

**BETWEEN** 

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### **Table of Contents**

Sur	nmary	4
	The Education System	
	Entrepreneurship/Employment	
	Recommendations	
	ferences	

#### **Summary**

- 1. An examination of the available data reveals that almost 50% of African Guyanese students drop out of high school to work and contribute to family income. Although disaggregated data is unavailable, anecdotal information and observation suggest that African Guyanese students are over-represented among those who leave the school system without qualifications. IDPADA-G supports two night-schools for second-chance learners in two Regions of the country. The high dropout rate and limited employment, alternative training or second chance opportunities drive a large number of African Guyanese micro entrepreneurs often within underserved communities. Support for these microenterprises, including business training, access to credit, marketing and other assistance is extremely limited for African Guyanese while opportunities are currently directed towards other groups.
- 2. African Guyanese under representation among Guyana's medium to large enterprises was exacerbated by an economic recovery programme introduced in 1988 to address both the domestic and foreign imbalances with which the country was faced. Since government had become the dominant player in the economy, correcting the imbalances required it to cut cost and spending. The government also sold public enterprises without considering the issue of equity and many of African descent did not have a chance of integrating into the new economy that was emerging. This process of inequity was intensified with the transfer of state resources to other ethnic groups within the society by the government that took power after 1992 and continues today. The direct support of the state enabled other ethnic groups to build capacity, control markets for goods and services and introduce policies that gave them other economic advantages.
- 3. To date the State party has not fulfilled its obligation expressed in the programme of activities for the implementation of the Decade (A/RES/69/16) which calls on it,
  - "...to develop or elaborate national plans of action to promote diversity, equality, social justice, equality of opportunity and the participation of all. By means of, inter alia, affirmative or positive actions and strategies, these plans should aim at creating conditions for all to participate effectively in decision-making and to realize civil, cultural, economic, political, and social rights in all spheres of life on the basis of non-discrimination."

4. Within this framework, IDPADA-G provides information on the current status and offers recommendations to improve education outcomes and support African Guyanese entrepreneurial endeavours.

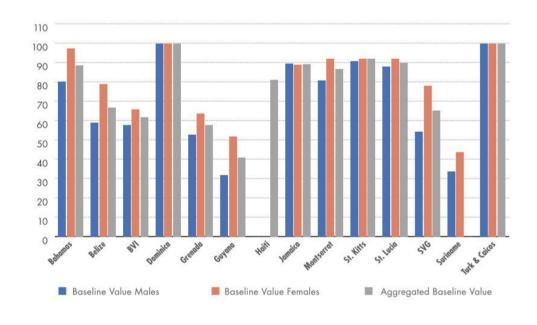
#### A. The Education System

- 5. With respect to Education, A/RES/69/16, paragraph 22 requires:
  - "States should take all necessary measures to give effect to the right of people of African descent, particularly children and young people, to free primary education and access to all levels and forms of quality public education without discrimination. States should:
  - (a) Ensure that quality education is accessible and available in areas where communities of African descent live, particularly in rural and marginalized communities, with attention to improving the quality of public education.
  - (b) Take measures to ensure that public and private education systems do not discriminate against or exclude children of African descent, and that they are protected from direct or indirect discrimination, negative stereotyping, stigmatization and violence from peers or teachers; to this end, training and sensitization should be provided to teachers and measures should be taken to increase the number of teachers of African descent working in educational institutions."
- 6. Inequities and inadequacies in Guyana's education system today can be traced through several different phases starting during the period of British colonization (Samaroo, 1991; Taysum and Arbery, 2017). Historic inadequacies and inequities have been exacerbated by recent policy decisions. First, was the reintroduction of private education. Private education was reintroduced in 1992 creating better resourced schools for the wealthy. African Guyanese are underrepresented among the wealthy and the vast majority are unable to take advantage of private education. In addition, it should be noted that, over time, the education system has morphed into a certification apparatus rather than truly educating the population.
- 7. The second development in the current phase is a persistently high level of secondary school dropouts. With the exception of a very brief period in the 1970s, there have been serious challenges to the provision of quality elementary and secondary education to African Guyanese. Negative economic impacts have resulted in a significant decline in public education and in a high secondary dropout rate. Additionally, little or no effort has been made in continuing the development and delivery of the technical and vocational (TVET) components of education to our teenagers since the launch of multilateral and community high schools. In fact, the

Report of the Coordinating Council of the International Decade for People of African Descent Assembly – Guyana

State-run nursing program in the pre-dominantly African community of Linden was abruptly closed by the current government, enrolled students were ousted without explanation or alternative, and then brazenly re-opened for students of another ethnicity.

8. A high level of educational preparation during teenage years is critical for success during adulthood (Brown, 2006). It is therefore a matter of grave concern that of fourteen territories surveyed by CARICOM, the regional integration movement, Guyana had the lowest secondary survival rate with a score of 41% (CARICOM, 2020).



**Chart 1: Secondary School Survival Rate** 

Source: CARICOM/CDB, 2019, Readiness for action: The Baseline and Situational Analysis Report

9. The statistics cited by CARICOM in its 2019 report are not dissimilar to those cited by Guyana's own Ministry of Education in its Education Sector Plan 2021 – 2025. This report, based on 2017 statistics, highlighted a secondary dropout rate of 50%. The Ministry pointed out that "more than 50 per cent of Guyana's working age population

has a primary school education level or less" and alluded to plans to target school leavers with technical and vocational training (Guyana Chronicle, 2021).

10. Whilst the data on secondary survival is not disaggregated by ethnicity, some inferences can be made from the information in Chart 2 below. A review of the National Census 2012 conducted by the Bureau of Statistics, confirmed that "African Guyanese comprised nearly one-half of the total population in Region 10 at 49%; 40.6% of Region 4; 33.1% of Region 5; and lesser proportions in the other regions". The dropout rate for these three regions was 44%, 44% and 46% respectively (Stabroek News, 2016). The rates in all three regions fall below the national average and suggest a high negative impact for the prospects for economic empowerment of the African Guyanese community.

Chart 2: Secondary Survival Rate 2017

Key Indicators	Wastage Rate	Coefficient of Internal	Survival to Grade 8	Survival to Grade 9	Survival to the last
Region 1	2.76	36%	77%	60%	32%
Region 2	1.53	65%	72%	60%	37%
Region 3	1.27	79%	88%	91%	73%
Region 4	2.13	47%	82%	73%	44%
Region 5	2.12	47%	74%	79%	46%
Region 6	1.39	72%	88%	78%	73%
Region 7	1.57	64%	81%	100%	53%
Region 8	1.72	58%	100%	91%	50%
Region 9	1.62	62%	70%	87%	67%
Region 10	1.43	70%	71%	72%	44%
Georgetown	1.64	61%	88%	80%	53%
Gen. Secondary	1.74	59%	80%	78%	50%

Data source: Ministry of Education reconstructive cohort analysis 2016-2017

**Source: Guyana Chronicle 2021** 

11. In sum, the current economic condition of African Guyanese is likely to be highly correlated with this deficit in education. Any effort to improve the economic condition of African Guyanese must take place on the foundation of improved education with particular emphasis on science and technology. Given that Guyana's economic prospects have improved, and will continue to improve, since the discovery and production of oil, the State should be investing more resources into public education that prepares young people for employment within this oil and gas and other emerging sectors.

#### B. Entrepreneurship/Employment

12. With respect to Employment, A/RES/69/16, paragraph 23 requires that:

"States should take concrete measures to eliminate racism, racial discrimination, xenophobia and related intolerance in the workplace against all workers, in particular people of African descent, including migrants, and ensure the full equality of all before the law, including labour law, and eliminate barriers, where appropriate, to participation in vocational training, collective bargaining, employment, contracts and trade union activity; access to judicial and administrative tribunals dealing with grievances; seeking employment in different parts of their country of residence; and working in safe and healthy conditions."

- 13. Over the years, successive governments in Guyana have emphasized the need for alternative forms of employment, beyond the public sector. Entrepreneurship and small business development are relatively new forms of employment among African Guyanese. While some may date this notion back to the late 1980s, initiatives aimed at encouraging individuals to undertake farming and other forms of self-employment can be traced to much further back. Particularly within the African-Guyanese community, this dates back to the emancipation era and the formation of successful businesses and highly productive village economies. As history has shown, barriers were erected to curtail the growth of these businesses and support a commercial class, with a different ethnic composition.
- 14. Within the current context, many of these barriers persist and reflect the underdevelopment of the entrepreneurial ecosystem. Such a system is multi-layered, with each layer serving a different purpose. The Guyanese State has inherited a system

that is inherently discriminatory and must collaborate closely with African Guyanese business community to identify the systemic barriers to their success. Government must ensure that policies are designed and implemented to facilitate all entrepreneurs easy and equitable access to public sector systems. In addition, laws must be enacted to promote and support entrepreneurship across all ethnic groups; regulatory frameworks must be developed to facilitate equal access to critical information; incentives must be created to equitably support entrepreneurial ventures; and effective enforcement mechanisms must be established. Though existing organisations such as the Institute for Private Enterprise Development (IPED) and the Small Business Bureau are necessary, they are neither sufficient nor adequately funded to support the effective growth of entrepreneurial ventures.

- 15. Coupled with these challenges and the need for reform of government policies is the absence of financial institutions to support entrepreneurial ventures. Many individuals are forced to engage with commercial banks, which research has shown is not an appropriate source for entrepreneurial funding. Their rates of lending and collateral requirements are unsupportive of entrepreneurial initiatives. Stereotypical attitudes towards African Guyanese businesspersons remain a significant barrier access to finance from commercial banks.
- 16. Prior experiences within Guyana have shown the important roles of the disbanded Guyana National Cooperative Bank (GNCB) and the Guyana Cooperative Agricultural & Industrial Development Bank (GAIBANK) in spurring entrepreneurial activity among small emerging businesses. Likewise, the success story of Grameen Bank serves as a shining example of what specialised funding institutions targeting groups that would otherwise not be able to seek new business development funding can accomplish. Similar institutions based on sound accounting principles and offering terms supportive of new business development are essential to creating a more inclusive business class.
- 17. In order to improve performance of micro and small enterprises in the African Guyanese community, the government of Guyana must lead the way by adjusting the banking laws and other financial regulations to provide Credit Unions greater leverage

to support business development activity. There is no available local source for grants or soft loans to support credit unions' lending programmes. Credit unions have historically been a major savings facility for persons of African descent and must be allowed to provide a wider array of loan programmes to support new business development. There needs to be greater harmonization of rules, laws and modernization of practices and as membership bodies, credit unions should have more autonomy particularly in regard to governance issues.

18. The current government appears to be making a concerted effort to reduce the number and importance of cooperatives to the future development of Guyana. Cooperativism has historically been a critical mechanism for economic progress in the African Guyanese community, starting with the communal purchase of abandoned plantations immediately after Emancipation. Many cooperatives have land that is undeveloped due to difficulties in accessing finances through their members or loan institutions. As recently as January 2023, the government has threatened to repossess allocated lands from cooperative societies (Stabroek News, 2023). Instead of dismantling the cooperative system, the government of Guyana should collaborate with the African Guyanese community to transform cooperatives into vibrant and efficiently managed enterprises that could yield significant contributions to the launch and sustainability of new ventures.

With government and NGO support, cooperatives can also play a vital role in the entrepreneurship ecosystem and can serve as the foundation for revitalization of the economies of African Guyanese villages. By combining their resources and members' interests, they provide a reinforcing mechanism whereby commitment to future success could be demonstrated.

#### C. Recommendations

- 19. Given that Guyana's economic prospects have improved, and will continue to improve since the discovery and production of oil, the government of Guyana should:
- i. Provide financial support to families to ensure attendance at school.
- ii. Re-fashion technical and vocational education to make it relevant including the introduction of nationally sponsored apprenticeships.
- iii. Implement remedial education programs at the primary and secondary levels in communities affected by high unemployment or served by underperforming schools.
- iv. Implement large-scale adult remedial education programs in communities experiencing high drop-out rates and high unemployment.
- v. Establish financial institutions designed to support the development of new ventures.
- vi. Fully and equitably implement the 20% small business set aside programme.
- vii. Establish or support the establishment of a micro-credit institution (modeled on the Grameen Bank)
- viii. Provide grants and soft loans to credit unions to allow them to provide a wider array of loan programmes to support new business development.
- ix. Amend the laws governing credit unions to ensure that they are democratic and allow for the full participation and voices of their members.
- x. Partner with established entities within the African Guyanese community to transform cooperatives into vibrant and efficiently managed enterprises.

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