Towards an Investment Strategy for Food and Agriculture

View from the Diaspora

by

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Caribbean Week of Agriculture

Cayman Islands

October 26, 2016
Introduction

I would like to thank the conference organizers for inviting me to speak on this panel on the topic "Towards an Investment Strategy for Food and Agriculture -- View from the Diaspora"

I will start by: (i) creating a vision for Caribbean agriculture, with year 2030 as the horizon; (ii) I will then explore the forms of capital needed to help realize this vision; (iii) I will then present a brief profile of the Caribbean diaspora; (iv) provide some project ideas on how to unlock financial potential; and finally, (v) a call to action.

It is said that to think positively about our prospects in the future, we must be able to imagine ourselves in that future. So, let us for a moment imagine the Future of Agriculture in the Caribbean in the year 2030.

(This year co-incidentally, is a pull year for many global and national conversations on the future. The UN, the World Bank, the OECD, and countries including Jamaica, Kenya, and South Africa have embarked on a planning process with 2030 as the horizon)

So.. we wake up to today’s headlines - the date is **October 1, 2030** and, The Caribbean Week of Agriculture is still being commemorated. The headlines read:

- “The Caribbean Innovation Center for Young Visioneurs opens its 30th Agribusiness Incubation and Entrepreneurship Center.”

- “Two Caribbean Scientists honored by the UN, for their work in saving the world's Coffee and Cocoa Industry from Extinction, through their Seed Biotech Security System.”
“While beaches continue to be affected by rising sea levels (third beach in Island X disappears), Agri-Tourism which features Real Farm to Real Food Experiences, continue to provide buoyancy in the Caribbean tourism and agricultural sectors.”

“Caribbean High Schools rank Number 1 as Best School Farms in a Global Food Security Education Challenge.”

“Diaspora contribution to development in their homelands continue to grow with more than 10% of remittances channeled to agricultural and agribusiness sector in the Caribbean.” (The Global average is about 5%)

“Diaspora financed agricultural programs in the Caribbean supplying more than 50 percent of ethnic and niche market needs of the Caribbean Diaspora.”

The question is: **WHAT IS THE FUTURE WE WANT FOR AGRICULTURE IN THE CARIBBEAN?** What role can the Diaspora play in helping to create that future?

You see, to make this happen, we have to visualize that future and start working backwards, in increments, of perhaps five years, to determine what needs to happen by 2025, and by 2020, to help realize our 2030 vision.

Now, having established the vision we can now explore the forms of capital needed to help realize it. What will it take to make it happen? What are the inputs and building blocks?

Development Capital is said to be SEVENFOLD: **Intellectual; Spiritual; Social; Cultural; Experiential; Financial; and Material.** For the purpose of this presentation I will focus on four that are relevant to unlocking Financial Capital of the Diaspora i.e: Intellectual, Experiential, Social and Cultural.
**Intellectual Capital** is the collective knowledge of the individuals in an organization or society. This knowledge can be used to produce wealth, multiply output of physical assets, gain competitive advantage, or to enhance value of other types of capital. Given this definition, there is no doubt that the intellectual capital of the Caribbean diaspora is indeed significant.

**Experiential Capital:** This is the accumulated wisdom one gains from the many risks that would have been taken. Generally it has been found that the more experiential capital one has, the more that person is likely to succeed. It is one of the most important assets in today’s world and, the Caribbean Diaspora I daresay, is heavily endowed with this asset, given its successes in countless fields of endeavors.

**Social capital** is about the value of social networks – the bonding of similar people and bridging between diverse people (according to Dekker and Uslaner 2001). … It is about influence and connections.

Social capital is of primary importance in community organizing, in business and, in politics. This component of development capital is also abundant in the diaspora.

The other form of development capital, critical for Diaspora engagement is Cultural Capital. This is about a community of people, their shared values and norms; their experiences; art forms, their religion and ability to collectively celebrate or mourn.

While the other forms of capital may be held and owed by individuals, cultural capital can only be gathered by a community of people, of which the diaspora is considered an integral part, given our common heritage.

It can be concluded therefore that these forms of capital, so abundant in the Caribbean Diaspora, can potentially be tapped to foster a deeper engagement and investment by the diaspora, in the development efforts in their countries of origin.
3. Understanding the Caribbean Diaspora

Estimates of the size of the Caribbean diaspora in the US range from between 3.0 million to about 5 million immigrants, depending on whether the Dominican Republic and Cuba are included. This is about 7 to 10 percent of the country’s 42 million immigrants.

The Caribbean diaspora is said to be a generally well-educated and affluent demographic, with a large majority interested in investing in their countries of origin. This is according to a WB report and survey: *Unlocking the economic potential of the Caribbean diaspora.* It found that the Caribbean Diaspora is already significantly engaged in the region, with some 70 percent being formally or informally affiliated to organizations in their home countries.

Half of those surveyed send remittances to their home countries, and a full 85 percent give back to the Caribbean either through financial help, or other support in kind. Remittances to the Region, it should be noted, was around US$490 million in 2014 (US$950 million when the DR is included).

The survey found that nine out of ten persons in the diaspora would like to be even more engaged in the future, potentially as investors, and that about 23 percent of respondents had already invested in a start-up company of some sort in the Caribbean region. Many expressed strong interest in investing in sectors with high development potential for the region, such as green energy, agribusiness, and education, among others. The report acknowledged however, that the gap between expressed interest and real engagement remains significant.

Given the above description, it is obvious that there is a tremendous opportunity to tap into this potential. It is vitally important therefore for stakeholders in the region to reach out to the diaspora community to explore opportunities for creating partnerships that could leverage the development capital of the Diaspora.

4. Suggestions for action - agenda to unlock financial potential:
So how do we tap into this potential? I would like to share some ideas on three projects that can serve as examples in pursuing this goal:

i) **The Future of Agriculture in the Caribbean Project**: It is a well-known that the diaspora community contributes significantly to their Alumni Associations, Health and Medical Outreach Programs, Churches, Community Associations and Community Development projects. In fact, work done by Institute of Caribbean Studies shows that contributions can be anywhere between $5,000 to $15,000 per year by various diaspora groups.

The question is: What if a portion of these resources can be directed towards development projects at the community level, and in schools, to promote greater awareness of the future of agriculture and potential opportunities in the agribusiness value chain?

You see, for agriculture in the Caribbean to STRIVE in the future, it must be embraced by the communities; in our schools and among the next generation of leaders and entrepreneurs. This is essential for the 2030 vision to be realized.

In proposing this, we must remember that many persons now in the Diaspora who left their homelands for a “better life” might have fled from the farms. The situation now is that many in their homelands are seeking to do likewise. There is need therefore for agriculture to be seen in a different light, not as our parents or grandparents saw it in the past, but a new vision – one that embraces modern agricultural farming; one that can be viable and profitable.

So, with its rich cultural and experiential capital, the diaspora can play a key role in helping to create this new vision by channeling resources to project(s) with the
objective, for example, of **Enhancing Awareness of The Future of Agriculture and the Potential of the Agribusiness Value Chain in the Region.**

This can be in the form of a **School Challenge Agricultural Project**, with the overall goal of helping to **change mindsets about agriculture** among the current and next generation of Caribbean youths.

The specific objectives of such a project could be, for example to:

- Create awareness about opportunities and possibilities of Climate Smart Agriculture and Smart Farming Practices
- Promote interest in the transformation of the Agriculture sector in the Caribbean
- Increase awareness of opportunities in Agribusiness Value Chain.
- Enhance interest in technology & innovation and research & development programs in agriculture.
- Provide entrepreneurship and business management training.

Projects of this nature can be carried out in collaboration with various stakeholders such as, Diaspora Associations, Ministries of Agriculture; Ministries of Education and Alumni Associations. If put in place now, a program such as this one can begin to show results by 2020.

ii) The second project idea I would like to throw out draws on the Cultural, Experiential and Financial Capital of the diaspora. It involves the establishment of an Agribusiness Microfinance Fund that provides micro-loans or micro-insurance in support of projects that seek to strengthen the agribusiness value chain.
There are some Agricultural Cooperatives and other specialized microfinance institutions that are already providing services in this area. However, the services can be further enhanced or expanded with diaspora support, to target specific sub-sectors or communities.

iii) The third project idea I would like to put forward draws on the Social, Intellectual and Experiential Capital to help unlock the Financial Capital of the Diaspora.

In this case the idea is to encourage and mobilize resource from high net worth individuals in the Caribbean Diaspora to contribute to the establishment of an Agricultural Fund that provide incentives to potential diaspora investors wanting to invest in the agriculture sector in their home countries.

**The fund** - to be managed by reputable and specialized institutions - would provide seed capital to finance projects that would help stimulate development of the agricultural sector in their home countries. Local farmers could also benefit from the fund, based on a competitive call for viable projects.

The Fund can also be used for the establishment of agribusiness incubators and accelerators that will nurture and invest in innovative early stage start-ups that have the potential to become scalable and competitive ventures. Under the program, selected start-ups will be provided with intensive capacity building, mentoring, technical and advisory support, in order to move them to the next level.

In summing up I would like to say that the Diaspora, in addition to their charitable contributions, can become drivers of development in the Region. *After-all,* remittances have generally outstripped the flow of development assistance and foreign direct investments to the region. Stakeholders in the region should therefore formulate strategies that seek to tap into this enormous potential.
Diaspora investment, no doubt, can generate new streams of capital for sustainable agriculture activities. It will create new jobs, and enhance food security.

Finally, the project ideas, or similar ones, if taken on board, can begin to show results by 2020 and lead to potential successes by 2025. This, together with a copious dose of SPIRITUAL CAPITAL could lead to the achievement of the 2030 Vision for Caribbean Agriculture.

*The Institute of Caribbean Studies stands in support of a bold initiative to help create a “*Caribbean Agriculture 2030 Vision*” and, the promotion of the dialogue to help deepen diaspora engagement in the Region’s development.*

**THANK YOU!**