Policy Challenges Facing Cape Verde in the Areas of Migration and Diaspora Contributions to Development

Jørgen Carling
Jørgen Carling

Policy Challenges Facing Cape Verde in the Areas of Migration and Diaspora Contributions to Development


International Peace Research Institute, Oslo (PRIO)
April 2008 • ISBN 978-82-7288-270-8
The views expressed in this report are those of the author.
Contents

1 Introduction ............................................................................................................................. 5
  1.1 Objective .......................................................................................................................... 5
  1.2 Diagnosis and strategic vision ....................................................................................... 6
  1.3 Guiding principles ......................................................................................................... 7
  1.4 Methodology .................................................................................................................. 7
  1.5 Structure of the report .................................................................................................. 8

2 Key contextual factors ........................................................................................................ 9
  2.1 Relationship with Europe ............................................................................................. 9
  2.2 Transit migration and regional security ....................................................................... 10
  2.3 The rapid growth of tourism ....................................................................................... 12

3 Migration-development links and intervention opportunities .................................. 13
  3.1 Employment of Cape Verdeans abroad ........................................................................ 15
  3.2 Close ties diaspora–homeland → Employment of Cape Verdeans abroad ............... 18
  3.3 Close ties between diaspora and homeland ............................................................... 18
  3.4 Inflow of remittances ................................................................................................. 23
  3.5 Return migration by Cape Verdeans in the diaspora .................................................. 25
  3.6 Return migration by Cape Verdeans in the diaspora → Inflow of remittances ......... 25
  3.7 Return visits by Cape Verdeans in the diaspora → Inflow of remittances ............... 26
  3.8 Return visits by Cape Verdeans in the diaspora .......................................................... 27
  3.9 Tourist arrivals in Cape Verde ..................................................................................... 27
  3.10 Positive experiences in Cape Verde ........................................................................... 28
  3.11 Positive image of Cape Verde abroad ......................................................................... 30
  3.12 Close ties diaspora–homeland → Export of Cape Verdean goods ......................... 31
  3.13 Demand for local goods and services ....................................................................... 31
  3.14 Inflow of remittances → Use of financial services ..................................................... 32
  3.15 Investment in Income-Generating Activities ............................................................. 35
  3.16 Inflow of remittances → Investment in Income-Generating Activities .................. 36
3.17 Return migration → Investment in Income-Generating Activities .................. 37
3.18 Close ties diaspora–homeland → Investment in Income-Generating Activities ...... 39
3.19 Diaspora-funded development projects .......................................................... 39

4 Crosscutting issues ............................................................................................ 40
4.1 Governance ........................................................................................................... 40
4.2 Networks and partnerships .................................................................................... 41
4.3 Human resources ................................................................................................. 44
4.4 Implementing the strategic vision ....................................................................... 46

5 Review of recommendations ............................................................................. 48

Annex: Individuals consulted .............................................................................. 50
1 Introduction

1.1 Objective

1. This report constitutes the migration and diaspora component of the Diagnostic Trade Integration Study (DTIS) conducted in Cape Verde as part of the Integrated Framework for Trade-Related Technical Assistance to least-developed countries (IF). The Integrated Framework is a multi-agency, multi-donor program that assists the least-developed countries (LDCs) to expand their participation in the global economy whereby enhancing their economic growth and poverty reduction strategies.¹ The IF aims to mainstream trade into the national development plans such as the Poverty Reduction Strategy Papers (PRSPs) of least-developed countries and to assist in the co-ordinated delivery of trade-related technical assistance in response to needs identified by the LDC. The IF is built on the principles of country ownership and partnership.

2. The DTIS prepares the ground for follow-up activities, which start with the translation of diagnostic phase’s findings into the elaboration and validation of an action plan. This plan serves as basis for trade-related technical assistance delivery. By March 2008, 45 Least Developed Countries were at different stages of the IF process. Thirty countries had validated their diagnostic studies and action matrices lists while another fifteen were at different stages of the process.

3. Migration flows and links with emigrant populations are key factors in the external economy of many LDCs.² This point has been made in several of the country reports within the IF process, but has rarely had a central position in the analysis. In the case of Cape Verde, migration and diaspora factors were designated a key component of the DTIS.

¹ The participating agencies are the International Monetary Fund (IMF), the International Trade Centre (ITC), the World Bank Group, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), and the World Trade Organization (WTO). The UNDP has been designated as the lead agency for the IF process in Cape Verde.

1.2 Diagnosis and strategic vision

4. Cape Verde is in a unique situation for a developing country. Until the beginning of 2008, the country was classified as a Least Developing Country by the United Nations. The LDC status entailed considerable benefits in terms of attention from international donors. At the same time, the positive development that underpinned graduation from the LDC category holds the promise of continued poverty reduction, improvement in governance and consolidation of civil society. This situation leads to two radically different scenarios. The first scenario sees Cape Verde reaping the benefits of two worlds, being cushioned by continued donor support while developing competitive strengths to survive on its own in the global economy. The second, more pessimistic scenario sees the heritage of aid sustain a ‘culture of receiving’, while the favourable comparisons with the rest of Africa foster complacency with respect to serious challenges, and competitiveness fails to improve.

5. Migration and diaspora have played a key role in Cape Veredian society and in the national economy and continues to do so today. Several recent publications provide an overview. Nevertheless, much of the thinking about migration and development is still influenced by an image of the typical migrant which may have been more accurate at the time of independence than today. Since then, links with the diaspora have become more diverse. This diversity represents an asset and a potential that other diaspora homelands could envy, but it also presents challenges for targeted policy formulation.

6. The classical emigrant, who left Cape Verde as a young adult, accumulated savings abroad, contemplates (part-time) return, and might be encouraged to invest, still exists. However, the limited opportunities for labour migration and the corresponding dominance of family-related migration imply that other categories grow in relative importance. A progressive migration and development policy must address a broader variety of potential. This include links with the following groups: (i) people of Cape Veredian ancestry with little knowledge of Cape Verde, but a renewed interest in their origin; (ii) children of emigrants with an ambivalent relationship with their parents’ country of birth; (iii) partly Cape Veredian families, e.g. those of Cape Veridian women married to Italian men; (iv) recent emigrants with a precarious labour market position. Strengthening the development benefits of links with the diaspora requires an understanding of existing ties as well as the potential of dormant ties. In Cape Verde today, there is a lack of accurate and updated knowledge in both fields.

7. The strategy for migration-development interaction in Cape Verde should be based on a vision of high levels of mobility in various forms. This would include residents going abroad to work for shorter periods, exchanges in both directions for higher education and professional training, Cape Verdeans in the diaspora returning temporarily to work on the islands, and tourists with or without Cape Veredian ancestry spending holidays in Cape Verde. Such forms of mobility would be related to transnational interaction between Cape Verde and the rest of the world, including remittances and investment. It is essential, however, that the two go hand-in-hand: mobility allows for encounters which sustain subsequent exchanges over large distances.

8. The strategic vision outlined above takes Cape Verde’s specific situation into account. The heritage of low-skilled emigration, the large diaspora, the growth of tourism and the stability and relative prosperity of the country represent a mix of opportunities that should be exploited in a holistic way.

1.3 Guiding principles

9. Insights from the international literature on migration and development combined with the analysis of Cape Verde’s current situation has formed the basis for three closely related guiding principles. These are principles which inform the recommendations in this report, and which should be adopted in Cape Verde’s policy on migration and development more broadly: (i) mainstreaming (ii) synergies and (iii) diversity.

10. **Mainstreaming** refers to the integration of migration and diaspora concerns in a public administration and development planning. Too often, migration is treated as a separate issue, seen as the domain of dedicated agencies and policies. Especially in an era of rapid developments in public administration, it is important to integrate the idea that users of every service may or may not be migrants.

11. **Synergies** refer to the need to build strategic links between migration and other development dimensions, such as the growth of tourism or the expansion of professional training and higher cation. Migration and ties with the diaspora have limited potential as development engines on their own, but may serve as catalysts for increased development impacts of government investment and/or private sector growth.

12. **Diversity** refers to the heterogeneity of mobility and links with the diaspora, which is central to the strategic vision presented in paragraph 7. Cape Verdean emigrants and their descendants are an increasingly diverse group, and represent a variety of development potentials for Cape Verde. Some policies will need to target specific sub-groups while others have to be designed with this diversity in mind.

1.4 Methodology

13. This report is based on four methodological components: (i) Consultations with key informants in Dakar, Praia, São Vicente and Sal; (ii) Online consultations with Cape Verdeans in the diaspora; (iii) Review of policy documents and other written documentation (iv) Insights from the author’s previous research on Cape Verdean migration.4

14. The consultations with key informants were not recorded and statements in this report are not attributed to individuals. Given the limited scope of the study, the priority was to get an overview of current challenges and activities, and to explore possible interventions. Consultations were carried out in English, Kriolu, and Portuguese. The majority were undertaken together with Research and Liaison Officer Mário Moniz. Each meeting lasted for 30–90 minutes. A list of the individuals consulted is included on page 50.

15. The online consultations with the diaspora were co-ordinated by Sónia Melo, who recently completed a PhD on Cape Verdeans in cyberspace.5 A report on these consultations is published separately.6 Selected insights from this report have been included here, but the report on diaspora consultations gives a fuller view of emigrants’ perspectives on migration and development issues in Cape Verde.

1.5 Structure of the report

16. This report consists of four chapters in addition to this introduction. The next chapter presents selected contextual factors that impact upon the mechanisms discussed in subsequent parts of the report. Chapter three forms the bulk of the analysis, and is structured around a model of possible causal links and intervention opportunities (Figure 2 on page 14). The following chapter reviews cross-cutting issues relating to governance, networks and partnerships, human resources, and implementation of the strategic vision presented in the introduction. The final chapter presents an overview of recommendations.

17. Recommendations are presented throughout chapters 3 and 4 and reviewed at the end of the report. This ensures proper integration between analysis and recommendations. The recommendations are numbered and clearly identified with a distinct layout. In a similar way, risks are presented throughout the text. These are issues in need of attention at the policy level. The highlighted risks are factors which could undermine the potential of migration-related development in Cape Verde.

18. Given the limited time and resources available for researching and writing this report, priority has been given to identifying specific opportunities and risks. This is in line with the report’s function as part of the Diagnostic Trade Integration Study and the Integrated Framework process. To enable such a focus, the text presents the author’s summary assessments on the basis of available documentation, but not with sources meticulously referenced. Also, analysis that is available elsewhere has not been reproduced here (cf footnote 3).

Footnote continued from previous page


2 Key contextual factors

19. Three contextual factors are particularly important for migration and development issues in Cape Verde. First, the country enjoys a privileged relationship with Europe. This already entails close co-operation in the area of migration, especially with Portugal and Spain. Second, undocumented migration through Cape Verde is a regional security issue. This is an element in Europe’s interest in strengthening the relationship with Cape Verde. Third, the spectacular growth of tourism in Cape Verde has implications for the migration-development nexus.

2.1 Relationship with Europe

20. Cape Verde enjoys a privileged relationship with Europe, recently formalized in the Special Partnership between Cape Verde and the European Union, and in the designation of Cape Verde as a pilot country in the development of Mobility Partnerships between the European Union and selected third countries. (Moldova is the other pilot country.) Cape Verde also benefits from regional cooperation in Macaronesia, especially with the Canary Islands and the Azores. At the time of writing, there is great uncertainty about the content and impact of both the Special Partnership and the Mobility Partnership. The two documents nevertheless represent decisive opportunities for Cape Verde.

21. The Special Partnership is being implemented through an action plan adopted in December 2007. It is aimed at strengthening dialogue and policy convergence, going beyond the traditional donor-beneficiary relationship in a framework of mutual interest. The action plan addresses six areas: (i) good governance, (ii) security and stability, (iii) regional integration, (iv) transformation and modernisation, (v) information society, and (vi) poverty reduction and development.

22. The Mobility Partnership potentially offers Cape Verde a unique opportunity to develop new migration-development links. The content of the partnership is currently being negotiated. The mobility partnership is between Cape Verde and the European Union, but implementation will take place through bilateral agreements with individual member states. Four European countries have entered the partnership: Portugal, Spain, France and Luxembourg. Of these, only Portugal has so far presented concrete proposals. Cape Verde has expressed a wish to be exempted from visa requirements to the European Union.
Currently, Cape Verdeans who enter Europe with a Schengen visa (a short-term visitor’s visa) can circulate within the Schengen area. Visas for work and study, by contrast are country-specific and do not allow entry into other member states. One possible European concession under the mobility partnership—a smaller step than visa exemption—would be to allow Cape Verdeans to circulate between the four participating countries, even if they are in possession of national visas.

Cape Verde is in a relatively weak position vis-à-vis the European Union (or individual member states) in negotiating the content of the mobility partnership. However, there are several concessions that Cape Verde could make. First, the current visa requirement for entering Cape Verde could be abandoned. Second, long-term residence by Europeans could be facilitated. Third, Cape Verde could co-operate closely with European countries in the fight against unauthorized immigration and trafficking of narcotics. All three points are also in Cape Verde’s interest, but nevertheless represent potential gains for Europe.

2.2 Transit migration and regional security

Unauthorized migration has been an increasingly important phenomenon in Cape Verde since around 2000. Unauthorized migration mainly affects Cape Verde as a transit country. In other words, the vast majority of persons being smuggled through or from Cape Verde are not Cape Verdeans but mainland Africans. Ghana, Mali, and Senegal are the principal nationalities among passengers. Among the organizers are Nigerians and Ghanaians, but also Cape Verdean nationals. The destination is usually the Canary Islands, although there is also some unauthorized migration to the Caribbean. Within Cape Verde, the principal hub of undocumented migration is São Vicente. There is possibly a shift to Santo Antão, where surveillance resources are more limited. Sal is the second most important centre of unauthorized migration, partly because transit migrants make a living on peddling to tourists.

The two principal forms of unauthorized migration through Cape Verde are (i) small-scale open fishing boats originating on the mainland, primarily in Senegal, and (ii) larger vessels employed in organized human smuggling operations. The former is related to the larger flow of unauthorized migration from West Africa to the Canaries in small boats. The latter often involves vessels with a history of involvement in drug smuggling. There may be connections between the two, with small boats departing from the West African mainland and passengers being collected by larger vessels in Cape Verde. In some cases, transit migrants enter Cape Verde legally by plane.

Fragmentation of responsibilities in the area of migration control creates certain challenges to an effective overall approach. The Polícia Judiciária, a subsidiary of the ministry of Justice, is responsible for investigating crime that is organized, which is often the case with human smuggling and trafficking in persons. The Direcção de Emigração e Fronteiras and the Polícia Marítima, both part of the Polícia Nacional, are responsible for controlling the borders. Cape Verde’s territorial waters are also controlled by the Guarda Costeira, a subsidiary of the Ministry of Defense. This fragmentation has prevented a national overview of unauthorized migration. Routines for collecting and archiving case documentations are not in place, and this hinders analysis of developments in unauthorized migration and human smuggling over time.

Lack of adequate legislation is a problem for prosecution of human smuggling and trafficking in persons. To date, trafficking in persons is a less prominent phenomenon, although
some human smuggling operations have had an element of deception that may make the activity qualify as trafficking in persons. In one case, a smuggler is known to have abandoned passengers in Cape Verde after collecting payments, and using the money to purchase drugs to be smuggled. A small number of Nigerian women are involved in prostitution in Cape Verde and are possibly trafficking victims. As in Europe, persuading the women to provide testimony for prosecution of the organizers has proven very difficult.

29. When unauthorized immigrants are apprehended, readmission to their countries of origin is often a challenge. While European countries have achieved considerable goodwill from migrants’ countries of origin as part of broader co-operation packages, Cape Verde has fewer incentives to offer countries of origin in order to facilitate cooperation on readmission.

30. There is very limited control of passengers arriving to or departing from Cape Verde by sea. The territorial waters are vast in relation to available surveillance resources. Even the control with persons arriving through regular ports is limited. In terms of prosecution of organized human smuggling, one of the principal problems is that scarce resources and insufficient technical capacity drastically limit the possibilities of the police to intercept communications to the extent that is permitted by the law.

31. There is close cooperation with Spain and Portugal in preventative measures against unauthorized migration. One Spanish vessel and one plane are patrolling Cape Verdean waters. In the investigation of suspected human smuggling operations, Cape Verdean authorities cooperate with Spanish, Portuguese, British, United States, Canadian and Brazilian authorities. Increased surveillance may have been responsible for the decline in smuggling activity observed since 2005–06. Steps have been taken to enable an agreement between Cape Verde and Frontex. A delegation from Frontex recently visited the country.

**Figure 1.** Selected sources of income as a proportion of GDP 1999–2007. Percent

*Data source: Banco de Cabo Verde. Note: GDP is used as a unit of measurement to describe the relative important of these sources of income; not all are actually part of GDP.*
2.3 The rapid growth of tourism

Tourist arrivals and tourism receipts in Cape Verde have grown rapidly since the turn of the Century, and especially in the past couple of years. Tourism will be addressed separately in the DTIS, but also impacts upon migration and development issues. Figure 1 illustrates the economic transformation of Cape Verde by means of five key sources of income 1999–2007. Not only is the growing important of tourism striking on its own. Tourism receipts also surpassed migrant remittances for the first time in 2006. In 2007 income from tourism was more than double the value of remittances.
3 Migration-development links and intervention opportunities

33. This chapter outlines the ways in which migration and ties with the diaspora influence, or may influence, the processes of poverty reduction and employment formation in Cape Verde. Figure 2 shows a model of possible migration-development links. This is used to structure the subsequent situation analysis and discussion of possible interventions. There are several points to make about the model. First, development is conceptualized here as processes leading to poverty reduction and employment creation in Cape Verde. Second, the model identifies possible links between the various phenomenon and distinguishes between two degrees of likelihood (labelled probable and possible). For instance, it is virtually certain that employment of Cape Verdians abroad leads to inflow of remittances, but far less likely that it leads to diaspora-funded development projects. Third, two types of policy interventions are indicated in the figure: those which seek to bolster or shape a certain phenomenon, and those that seek to strengthen a link between phenomenon. For instance, the use of financial services can be promoted on a general basis, but it is also possible to intervene specifically to strengthen the link between inflow of remittances and the use of financial services. The numbers in the figure correspond to the numbered sub-headings in this chapter. (1 is addressed in 3.1, 2 is addressed in 3.2, etc.)

34. The distinction between possible and probable links in the model is related to strategic policy considerations. Some policy measures aim to strengthen processes that are already occurring on a large scale. For instance, return visits by emigrants are already fuelling demand for local goods and services. Nevertheless, it is possible to take measures to strengthen the local supply of goods and services that would be in demand by visiting emigrants. Other policy measures aim to boost links that are currently weak or inexistent. For instance, the large diaspora could possibly support larger exports of Cape Verdian products, either directed towards the ethnic market itself, or by Cape Verdian emigrants assuming an intermediary role.

35. The former type of intervention—strengthening existing links—may produce significant results, but the specific effect of policies will be hard to measure. The latter type of intervention—boosting weak links—may be harder to achieve in the first place, but policies may play a decisive role. A coherent policy environment for the migration-development nexus should combine both approaches.
Figure 2. Model of possible migration-development links and policy interventions.
3.1 Employment of Cape Verdeans abroad

36. Cape Verde is among the few countries in the world that has regarded emigration levels as ‘too low’.\(^7\) There has not been an explicit policy of promoting emigration, but facilitation of migration has been an issue in bilateral relations with important destination countries, such as Portugal. Although many emigrants retain active ties with Cape Verde for several decades, and the attachments of descendants of Cape Verdeans can be revived, continued migration is fundamental to the potential role of the diaspora. As is evident in the United States (not only with Cape Verdeans, but also with other groups) ethnic revival and a strong national identity is not always linked with attachments to the present-day society of the country of origin.

37. Current emigration primarily occurs through family reunification provisions rather than explicitly as labour migration. Nevertheless, this is an important mechanism for securing Cape Verdeans employment overseas. Actual emigration levels are unknown. Entry and exit forms constituted the basis of statistics until 1996, but were then abolished for Cape Verdean nationals. The 2000 Census contained questions about the emigration of household members in the previous five-year period (Table 1).

**Table 1. Emigrants 1995–2000 reported in 2000 Census**

<table>
<thead>
<tr>
<th>Destination</th>
<th>N</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Portugal</td>
<td>6490</td>
<td>53.2</td>
</tr>
<tr>
<td>United States</td>
<td>2242</td>
<td>18.4</td>
</tr>
<tr>
<td>France</td>
<td>958</td>
<td>7.8</td>
</tr>
<tr>
<td>Netherlands</td>
<td>605</td>
<td>5.0</td>
</tr>
<tr>
<td>Italy</td>
<td>342</td>
<td>2.8</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>227</td>
<td>1.9</td>
</tr>
<tr>
<td>Spain</td>
<td>207</td>
<td>1.7</td>
</tr>
<tr>
<td>Switzerland</td>
<td>115</td>
<td>0.9</td>
</tr>
<tr>
<td>Others</td>
<td>643</td>
<td>5.3</td>
</tr>
<tr>
<td>Unknown</td>
<td>377</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12206</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: INE.

38. Organized labour migration has taken place on a very small scale, and with mixed experience. In 2000, the local office of the Instituto de Emprego and Formação Profissional in São Vicente (Centro de Emprego de Mindelo) organized the recruitment of workers for a construction company on the Azores. The company had the intention of recruiting workers in Cape Verde as a long-term strategy, and chartered a plane to collect the first group. The workers were to receive a stipulated wage, board and lodging, and additional payment for overtime work. After arrival, however, the workers expressed dissatisfaction with the conditions, and many abandoned the company before completion of the contract. It was unclear whether or not the conditions conformed to what was stipulated in the contract. The operation became a substantial loss for the company, and the plans for continued labour recruitment in Cape Verde were shelved.

Some of the workers may have seen the contract primarily as a means to enter Europe, and not been motivated to work for the company by whom they were recruited. This is a significant risk with workers who are low-skilled, or whose skills lack formal documentation.

39. Agriculture and fishing account for more than 30 percent of employment in Cape Verde, followed by commerce and construction (Table 2). From 2005 to 2006 employment in construction grew at almost twice the rate of overall employment. Despite the expansion of tourism, employment in hotels and restaurants grew very slowly. Within the Cape Verdean economy, there is substantial demand for skilled workers in these two sectors. In the construction sector, there is a lack of formally trained masons, plumbers and electricians. While masonry has a reputation as particularly hard work with limited appeal, there is great demand for training in plumbing and electricity. In the tourism sector, there is a lack of workers with the necessary language and service skills. Professional training is expanding, partly with international funding, but will continue to fall short of the need.

40. Within the tourism sector, there is a schism between wage rates and the general level of skills in the population. As waiters, for instance, employers often seek workers with 12 years of schooling and competence in English and French, but offer salaries in the range of 10–12 000 CVE per month. The required skills are still rare, and those who possess them will often have higher ambitions. As a result, posts are often filled from the large pool of workers with inferior qualifications and/or employees are dissatisfied and fail to provide the service at the level that tourists may expect. Complaints about the lack of service-mindedness in Cape Verde are common in the diaspora, especially as a growing proportion of emigrants on holiday stay in hotels and eat in restaurants.

### Table 2. Employed persons by sector of activity 2006

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>%</td>
</tr>
<tr>
<td>Agriculture and fishing</td>
<td>45125</td>
<td>30.3</td>
</tr>
<tr>
<td>Commerce</td>
<td>23931</td>
<td>16.1</td>
</tr>
<tr>
<td>Construction</td>
<td>14085</td>
<td>9.5</td>
</tr>
<tr>
<td>Public administration</td>
<td>12771</td>
<td>8.6</td>
</tr>
<tr>
<td>Manufacturing and electricity</td>
<td>10662</td>
<td>7.2</td>
</tr>
<tr>
<td>Transport and communication</td>
<td>8367</td>
<td>5.6</td>
</tr>
<tr>
<td>Education</td>
<td>7216</td>
<td>4.8</td>
</tr>
<tr>
<td>Domestic services</td>
<td>6581</td>
<td>4.4</td>
</tr>
<tr>
<td>Extractive industries</td>
<td>6511</td>
<td>4.4</td>
</tr>
<tr>
<td>Hospitality services</td>
<td>4410</td>
<td>3.0</td>
</tr>
<tr>
<td>Business services</td>
<td>3166</td>
<td>2.1</td>
</tr>
<tr>
<td>Other services</td>
<td>3057</td>
<td>2.1</td>
</tr>
<tr>
<td>Health</td>
<td>1792</td>
<td>1.2</td>
</tr>
<tr>
<td>Financial services</td>
<td>710</td>
<td>0.5</td>
</tr>
<tr>
<td>International organizations</td>
<td>489</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>148873</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: IEF and INE Inquérito ao Emprego 2006.
**Recommendation 1.** Expanded professional training

The need for expanded professional training is recognized in Cape Verde and by donors. Nevertheless, additional investment in this area is called for. Priority should be given to professions that are (i) in demand in Cape Verde, (ii) in demand overseas, and (iii) appealing to prospective trainees.

41. Cape Verde should not, like some countries have done, invest heavily in education that is solely geared towards emigration. The cost level in Cape Verde is too high, and the level of development of higher education and professional training is too low, for this to be a viable strategy. By expanding professional training in key professions, however, there is a potential for synergies between domestic development and migration-related development. Short-term employment abroad is more beneficial to all parties when the migrant performs a job for which he or she is formally qualified. The same qualifications may facilitate reintegration in the Cape Verdean labour market after return, and increase the potential benefits of on-the-job training abroad.

42. Three broad sectors stand out: (i) construction, (ii) tourism and (ii) personal services and professional care. Within construction, expanded training in intermediate professions such as electricity and plumbing will meet demand in Cape Verde and may offer opportunities for temporary emigration. Personal services and professional care cover a range of semi-skilled professions such as auxiliary nursing and domestic service. With the ageing of the population in Southern Europe, a growing proportion of domestic workers, including Cape Verdians, are caring for the elderly. In addition, many Cape Verdians throughout Europe work in homes for the elderly. The growing demand for such services may be met not only in Europe, but also through the development and diversification of Cape Verdean tourist industry. Specialized services for the elderly will constitute a growing niche in the global tourism market. Experience with care for the elderly in European homes and institutions can, in this sense, also be valuable expertise for Cape Verde.

43. It is possible, in the context of the mobility partnership or thorough other mechanisms, that access to European labour markets could become easier, also for unskilled workers in Cape Verde. There is still substantial emigration pressure in Cape Verde, and such opportunities would certainly be in demand. If Cape Verdian authorities are given the power to allocate slots for labour migration, as has happened in Senegal, it is essential that transparent and professional management is ensured.

**Risk 1.** Potential for corruption in visa allocation

The allocation of visas for labour migration creates a large potential for corruption and nepotism. This is important to prevent, for three reasons: (i) it may distort the distribution of visas in ways that lower the potential development benefits; (ii) it may reduce prospective migrants’ faith in migration through orderly processes; (iii) it may reduce general confidence in the authorities and thereby undermine investment in local livelihoods and increase emigration pressures. Senegal’s negative experience with temporary work visas to Spain illustrates that fair and transparent allocation is a serious challenge.
3.2 Close ties diaspora–homeland → Employment of Cape Verdeans abroad

44. As illustrated in Figure 2, employment of Cape Verdeans abroad may be facilitated by close ties between Cape Verde and the diaspora. This is because emigration, for the foreseeable future, will remain dominated by family-related chain migration. Marriages between Cape Verdeans on the islands and Cape Verdeans in the diaspora, for instance, are responsible for a substantial part of emigration. Close ties between Cape Verde and the diaspora are therefore self-perpetuating also in a demographic sense.

3.3 Close ties between diaspora and homeland

45. A vibrant and close relationship between Cape Verde and the diaspora is fundamental to reaping the potential benefits of migration-development linkages. As shown in Figure 2, close ties between diaspora and homeland are likely to promote the inflow of remittances and sustain migration. Such ties also increase the incidence of return visits and return migration from the diaspora, and are reinforced by this mobility. In short, vibrant ties between Cape Verde and the diaspora are the pivot of the migration-development nexus. This calls for attention in policy formulation, even though concrete results may be hard to measure and slow to materialize.

46. Figure 3 shows the estimated distribution of the Cape Verdean diaspora, based on figures compiled by the Instituto das Comunidades. As noted in the introduction, lack of information about current migration flows, diaspora demographics and existing relationship between the resident and emigrant populations is a severe limitation. The diaspora is simultaneously part of the nation and a national resource. Sound management of this resource must be based on facts.

47. One frequently hears that there are ‘twice as many’ Cape Verdeans abroad as on the islands, but there is no scientific research to support this assumption. Diaspora populations estimates are relatively accurate for certain European countries, such as the Netherlands, where government statistics based on parental nativity broadly overlap with self-ascribed Cape Verdean ethnicity. The situation is more complicated in countries where government statistics are based on citizenship and/or country of birth only (e.g. Germany and Italy), in countries with substantial numbers of undocumented Cape Verdean immigrants (e.g. Portugal and the United States), and in countries with a long history of emigration from Cape Verde (e.g. the United States and Senegal). Since most Cape Verdean diaspora populations were established during Portuguese colonialism, it has been difficult to single out people of Cape Verdean origin in demographic statistics.

Risk 2. Insufficient information for sound policy development

Cape Verdean authorities lack fundamental information about migration and the diaspora. The current levels and composition of emigration flows are unknown; the approximate size of diaspora populations is unknown for most countries; knowledge about residents’ ties with emigrant relatives is rudimentary at best. The lack of information impedes the development of targeted policies and optimal use of resources.
48. The case of the United States is illustrative of the lack of reliable information. Frequently heard estimates of the Cape Verdean population in the United States range from several hundred thousand to one million. The Instituto das Comunidades uses an estimate of 265,000 Cape Verdians in the United States. However, less than 80,000 people classified themselves as being (fully or partly) of Cape Verdean ancestry in the 2000 Census. The enormous discrepancy illustrates the general lack of information about Cape Verde’s diaspora.

49. Some information needs must clearly be met through research in the emigrants’ countries of residence. However, there is also a need to know more about current emigration flows from Cape Verde, and about the nature and distribution of interaction between residents and the diaspora. For instance, it is difficult to assess the current and potential role of remittances in poverty reduction without information about how the transfers are distributed across socio-economic groups.

50. The Cape Verdean government has expressed a desire to establish an Observatório da Emigração, an entity that would research, compile and co-ordinate information about migration flows and the diaspora. An alternative approach would be to make funds available and outsource research and analysis. While coordination and distribution capacity should be guaranteed on a regular basis, greater value for money might be achieved by outsourcing research itself.
Recommendation 2. A national migration research fund

The need for accurate and policy-relevant information on migration and the diaspora should be met by setting up a national research fund. This would serve the dual purpose of generating knowledge and building relevant research capacity.

51. A national migration research fund, as proposed in Recommendation 2 should be governed by an independent board, with representatives from the Instituto das Comunidades, the Instituto Nacional de Estatística, and international expertise. Given the small size of Cape Verdean academia, and the wish to build capacity within this sector, it could be problematic to have representation on the board by the national university or other potential implementing partners. Furthermore, government representation should be limited in order to maintain the board’s independence and efficiency. The IC and the INE are the two most relevant institutions. Civil Society and/or the private sector should be represented. This would ensure a connection with Cape Verdean society outside government. For instance, there are several analytically oriented journalists who could fill this role.

52. The proposed organizational model is illustrated in Figure 4. Research should be initiated in two ways. First, the board can issue calls for proposals in which certain themes were emphasized, but which gave researchers the opportunity to design projects based on their own expertise and knowledge of the field. Second, the board can commission research on pre-defined projects, with implementing partners selected on the basis of a call for tenders. The board’s primary functions would be (i) to issue calls for proposals and/or tenders, (ii) to evaluate proposals and disburse funding, and (iii) to follow up on funded/commissioned projects. Calls should be open to research organizations in Cape Verde and abroad, and international collaboration should be encouraged.

Figure 4. Proposed organization of the migration research fund
53. Coordination and dissemination of knowledge would be required on a regular basis. This function would constitute the secretariat of the board. Furthermore, the coordination should entail compiling existing research and making it available. Within the limits of copyright issues, an online library should be established. There are advantages to having the coordination and dissemination located within the IC, since this institution serves as a focal point for migration and diaspora issues in Cape Verdean public administration. Hosting an online library would have beneficial synergies in terms of nurturing active ties between the IC, the diaspora and the research community. However, the board should have the power to oversee the coordination and dissemination services and relocate them if necessary. Consequently, there may be a conflict of interest if IC is also represented on the board.

**Recommendation 3. A national survey on migration and transnationalism**

A national survey on migration and transnationalism should be carried out by the Instituto Nacional de Estatística. The survey should employ a carefully developed methodological design, with sensitivity to the potential and limitations of conducting migration surveys in areas of origin.

54. A national survey on migration and transnationalism is important to establishing a baseline of information and a common frame of reference for subsequent research projects. This should not be commissioned through an open competition, but carried out by the INE. There is no doubt that INE is the most competent institution for this task. Furthermore, this would serve to establish INE’s role within the national migration research system.

55. It is important to develop better mechanisms of communication and information-sharing between the Cape Verdean government and the diaspora. Relations with emigrants are, by and large, conceptualized and organized in a hierarchical way in which embassies/consulates and migrant associations act as intermediaries between the central government and the diaspora (Figure 5). There is also direct communication between the IC and migrant associations, independent of embassies of consulates. During the summer holidays, most municipalities, in collaboration with the IC organize all-day meetings with emigrants. These direct encounters perform an important function.

![Figure 5. Model of Cape Verdean government relations with the diaspora](image-url)
56. The principal limitation of the current model has to do with migrant associations. Although statistics are lacking, it is probably the case that most Cape Verdeans in diaspora are not organized through associations. For some, this reflects a lack of interest in Cape Verde and diaspora issues altogether. Others, however, are closely attached to the country but shy away from organized activities. Cape Verdean associations in several countries have been marred by internal conflicts. It is also the case that associations serve as vehicles for individual social mobility. Consequently, many associations have few, if any, rank-and-file members. It is important to support and maintain links with Cape Verdean associations abroad, but also to develop better communication with migrants who, for whatever reason, chose not to be part of an association. The Internet is important in this respect.

57. Cape Verde has, since the 1990s, had a handbook for emigrants, *Manual do Emigrante*. This was published in its third edition in 2006. This is potentially a very important tool in relations with the diaspora, regardless of developments online. Many emigrants are still not computer literate, or have limited access to the internet. Furthermore, a written book may be more accessible and demand less initiative on the part of migrants than actively seeking information on the Internet.

**Recommendation 4.** Renewed handbook for emigrants

>The existing *Manual do Emigrante* should be fully reworked. A new handbook should contain more carefully researched information, be written in a more user-friendly style, and be made widely available in Portuguese and English. In particular, information about investment in Cape Verde should be improved. The development of a new guidebook should be inspired by experiences of other countries.

58. The current edition of the *Manual do Emigrante* is an in-house production of the IC, produced with the limitations of a small budget and without specialized expertise. Developing a renewed handbook for emigrants requires the participation of experts in areas such as business development, public relations, and graphic design. It should also build upon experiences and best practice from other countries. Several issues need to be addressed in a renewed handbook: (i) **Overall approach and style.** A renewed handbook should have the user at the centre from the outset, rather than the Cape Verdean government or bureaucracy. The current version opens with a presentation of the political system in Cape Verde, and many chapters closely resemble the bureaucratic documents on which they were based. (ii) **Title.** The current title, *Manual do Emigrante* has some weaknesses. ‘Manual’ sounds overly technical and ‘O Emigrante’ is reminiscent of the stereotypical emigrant (described in the introduction to this report) with whom large sections of the diaspora do not identify. The different tone of Mexico’s *Guía Paisano* is telling. (iii) **Salience of the Cape Verdean government.** The current handbook has an image of the National Assembly on the cover and opens with a portrait and foreword by the Minister of Foreign Affairs. It may defeat the purpose of the handbook if it is first and foremost seen as a government publication. Many emigrants are critical of the Cape Verdean government, and this is likely to be the case regardless of which party is in power. Again, the contrast with Mexico’s *Guía Paisano* is striking. The Mexican guide contains no political message or prominent government symbols. Instead, there is thorough information about how to address corruption or misconduct on the part of
government officials, including a complaints form. Altogether, the Mexican guide is written in such a way that migrants can easily identify with it.

59. A renewed handbook should be produced in a more robust format; the current version easily falls apart. Translation into English has been requested by Cape Verdean Americans. This would also be helpful to descendants of Cape Verdeans in Europe, who often have limited understanding of Portuguese. The Portuguese version should be written in an accessible language, bearing in mind that even those emigrants who read Portuguese may feel alienated by an excessively formal and convoluted style. (Handbook information on investment in Cape Verde and on remittance transfer mechanisms is discussed separately in paragraphs 88-89 and 92, respectively.)

3.4 Inflow of remittances

60. Remittances constitute one of the principal links between migration and development. Policies aiming to enhance the development impact of remittances will be addressed in subsequent sections. Figure 6 illustrates long-term trends in the importance of remittances in the Cape Verdean economy. Remittances as a proportion of GDP have declined from around 20 percent in the mid-1990s to less than 10 percent in 2007. Remittances per capita, adjusted for inflation, have shown slow increase since the mid-1980s. It is too early to say if the decline in real remittances per capita during the past two years signals a turn in the trend. The average level of real remittances per capita has been around 20,000 CVE per year over the past decade.

61. Understanding the long-term development of remittances requires disaggregation by country of origin. Transfers by Western Union are not disaggregated in agents’ reports to the Central Bank. In the statistics, remittances received through Western Union (about 20 percent of the total) are therefore distributed across countries on the basis of the relative importance of bank transfers. This introduces some uncertainty in the interpretation.

![Figure 6. Long-term trends in the importance of remittances 1978–2007](image-url)

Figure 7. Real Remittances by country of origin 1978–2007. 2007 Prices, Million CVE

Data source: Banco de Cabo Verde. Real value calculated on the basis of the consumer price index in Cape Verde.

Figure 8. Remittances by country of origin 1978-2007. Percent of total remittances

Data source: Banco de Cabo Verde.

62. Figure 7 and Figure 8 illustrate the relative importance of remittances from the United States, Netherlands, France, Italy and Portugal since 1978. Throughout this period, these five countries have been the largest sources of remittances to Cape Verde. Other countries were responsible for more than a quarter of total remittances in the early 1980s, but less than 15 percent in recent years. As the figures show, there have been remarkable fluctuations. This illustrates the importance of diversification, also in migration and development. Total remittances to Cape Verde have remained relatively stable because inflows from different countries have
compensated for each other. Since the year 2000, for instance, the decline in remittances from the United States and the Netherlands has been more than outweighed by increased inflows from Portugal and France.

63. The principal determinants of long-term trends in remittances are demographic, shaped by the nature of migration flows and the resulting kinship relations between residents and emigrants. Return migration and return visits from the diaspora may have independent impacts on remittances that are discussed separately (section 3.6 and 3.7).

3.5 Return migration by Cape Verdeans in the diaspora

64. The volume of composition of return migration to Cape Verde is not known. Return migrants are a heterogeneous group, and return migration raises a variety of policy issues. Growing numbers of deportees who return against their will are a challenge for Cape Verdean society, although their share of responsibility for rising crime rates is often exaggerated. The diaspora also represents a potential supply of skills that are needed in Cape Verde. Several initiatives have been aimed at recruiting Cape Verdeans in the diaspora for jobs in Cape Verde. One such initiative is funded by the Spanish government. While measures targeted at the diaspora can have an important role, there is also potential for mainstreaming migration and diaspora in recruitment policies and practices more generally. This is addressed in section 4.3.

3.6 Return migration by Cape Verdeans in the diaspora → Inflow of remittances

65. Return migration to Cape Verde has had a significant impact on ‘remittances’ in a broad sense because many return migrants have received old-age pensions in Cape Verde. From the Netherlands, for instance, pensions have constituted more than 40 percent of total registered remittances in recent years, up from about one quarter in the second half of the 1990s. Policy in this area should address three issues: (i) Expanding the entitlement of migrants to receive pensions in Cape Verde, as has been achieved through bilateral agreement with a number of countries; (ii) assisting migrants in obtaining the pensions to which they are entitled; and (iii) facilitating return migration of the elderly.

66. The principal concern for many elderly Cape Verdeans in the diaspora is health care, and this may be a decisive factor in deciding whether to return or not. This is another area with potential overlaps between migration and tourism issues. Improvement in health services (both public and private), public safety, and other issues of concern to the elderly may simultaneously make return a more viable option for Cape Verdeans in the diaspora and prepare the ground for long-term holidays for the elderly. This has become an important part of the tourism sector in Spain. Even Cape Verdean pensioners will often hesitate to return full-time to Cape Verde, but prefer to spend part of the year in their previous country of residence.

* Calculated on the basis of figures from Banco de Cabo Verde and Sociale verzekeringbank.
3.7 Return visits by Cape Verdeans in the diaspora → Inflow of remittances

The association between remittances and visits to the country of origin is well established in the scientific literature on remittances. Migrants who have recently visited their country of origin are more likely to be sending remittances. This could be because visits act to sustain ties with recipients. In addition, migrants may be motivated to remit because they foresee future visits. The financial importance of visits from the diaspora therefore exceeds migrants’ spending during their sojourn.

In addition to the influence of visits on subsequent remittance patterns, transfers tend to increase in the context of specific visits. This includes transfers of funds to be spent during holidays as well as shipment of goods to be distributed as gifts. The seasonality of remittances partly reflects migrants’ holidays. This is illustrated in Figure 9, which shows total remittances peaking in July/August and December. The increase in December is also due to remittances for Christmas and New Year, since infrequent remittances, for instance to more distant relatives, are often sent at this time of year. There is also a seasonal pattern to the choice of transfer mechanisms. Western Union is primarily used for regular transfers, (often in the form of a fixed monthly amount), and therefore has the highest market share in the months with the fewest transfers for holidays and special occasions (Figure 10).

Return visits may have yet another impact on remittances in the sense that migrants’ presence in Cape Verde is an opportunity to divulge information about transfer mechanisms and remittance-related services. The diaspora consultations confirm the common finding in research that remittance-senders lack information about the various options, and feel frustrated over the high costs (cf. section 3.14).

**Figure 9.** Total remittances, by month, 2005–2007. Million CVE
*Data source: Banco de Cabo Verde.*

**Figure 10.** Market share of Western Union, by month, 2005–2007. Percent
*Data source: Banco de Cabo Verde.*
3.8 Return visits by Cape Verdeans in the diaspora

70. Return visits are a fundamental aspect of Cape Verde’s ties with the diaspora and play a central part in migration-development linkages. Migrants spend, and possibly invest, money during visits. Visits are also likely to inform decisions about future return and/or investment in Cape Verde. A declining proportion of Cape Verdeans in the diaspora have ever lived on the islands as adults, and visits are therefore important to sustaining the idea of a global Cape Verdean nation. The diaspora constitutes a national resource only to the extent that ties with Cape Verde are vibrant.

71. The high cost of travel is a major impediment to frequent returns. Many Cape Verdeans in Europe and the United States struggle to make ends meet and cannot support the cost of spending holidays in Cape Verde. In addition to the ticket itself, migrants spend money on their own subsistence in Cape Verde, and on gifts to family and friends. The diaspora consultations echo the commonly heard frustrations about the cost of travel. There are unrealistic expectations of the government’s ability to influence ticket prices directly, but also concern over regulatory limitations on competition. Many migrants find it hard to understand why travelling to Cape Verde should be so more expensive than going to more distant destinations, such as Brazil.

3.9 Tourist arrivals in Cape Verde

72. Issues relating to the general promotion of Cape Verde as a tourism destination go beyond the scope of this report. However, there are links with migration and the diaspora that are important to consider. Overlapping markets and heritage tourism are discussed below. Tourism-related investment opportunities for migrant entrepreneurs are addressed in section 3.17 (paragraph 101).

73. Overlapping markets. Mainstream tourism and return visits by emigrants have traditionally been seen as separate phenomenon in Cape Verde. As a result of the demographic transformation of the diaspora, however, the boundary between the two markets is becoming blurred. Growing numbers of persons of Cape Verdean ancestry travel to Cape Verde ‘as tourists’, in terms of their consumption patterns. Many still stay with relatives and rarely eat out, but an increasing proportion prefers the privacy and comfort of a hotel or rented apartment.

74. Heritage tourism. There is potential for growth in heritage-based ethnic tourism, i.e. visits from Cape Verdeans in the diaspora who may lack family ties with residents, but are motivated by their ethnic background to visit the islands. This could be expanded to the African diaspora more generally, as has been the case in Senegal and Ghana. The visible remnants of slave trade on the island of Santiago represent an asset in this respect.

⚠️ Risk 3. Undermining the existing tourism potential

The tourism potential of Cape Verde is at risk of being undermined, partly by negligence and partly by uncritically modernist development. In rural Santo Antão, the unique network of footpaths that attract hikers is falling into disrepair. In the colonial centre of São Vicente, the trademark cobblestone roads have been covered by tarmac, and the seafront promenade has been expanded to allow for more traffic.
Instead of learning from the past mistakes of European urbanism, Cape Verde runs the risk of repeating the modernist approach of the 1960s that European cities have later spent enormous resources on undoing. Cape Verde’s greatest asset on the global market for tourists is the unique charm of its landscapes and townscapes. Preserving these qualities would be both compatible with, and contributing to development.

3.10 Positive experiences in Cape Verde

75. Sustained tourism and diaspora attachment require that tourists and visiting emigrants have positive experiences in Cape Verde. Such experiences lay the basis for return visits (including long-term return and investment) as well as for the encouragement of others. There are obviously many aspects of tourists’ and emigrants’ holiday experiences that lie outside the scope of government influence, or which can only be influenced indirectly, for instance through training in tourism-related professions. One concern that is voiced by many emigrants, however, is the increasing incidence of violent crime.

Risk 4. The rise in violent crime

Cape Verde has traditionally been a safe and peaceful country with low crime rates. This is also part of the country’s appeal as a tourist destination. In recent years, however, violent crime appears to have risen dramatically. This is especially the case in Praia, but also on Sal and other islands. Violent crime affects the quality of life of inhabitants and the experiences of tourists and visiting migrants.

76. Emigrants are also concerned with the operations of TACV Cabo Verde Airlines. The company is currently undergoing a restructuration process in preparation for privatization. The process is focused on internal organization and profitability in order to attract investors. In terms of customer relations, there are two interconnected challenges. First, passenger experience must be improved. Second, the current negative image must be reversed. Each point merits separate attention.

77. Passenger experience is crucial at a time when international tourism is growing rapidly and many people have their first-time encounter with Cape Verde. First impressions are also important in relation to the potential of the ‘dormant’ diaspora in the United States: the thousands of people of Cape Verdean ancestry who have never visited the islands. Passenger experience is fundamental to reshaping the image of TACV among frequent visitors. In short, the company will be judged by what it does, and not what it says: (i) Predictable and reliable scheduling. Schedules are

---

The rise in violent crime is a risk to the tourism industry as well as to the links between Cape Verde and the diaspora.

---

10 Passenger volumes on internal flights grew very slowly (about 1 per cent per year) in the last three years in which there was only one international airport in Cape Verde (2003-2005). The subsequent opening of new international airports is reducing the demand for domestic travel. However, there is no doubt that the diversity of the different islands and the possibility for ‘island-hopping’ is one of Cape Verde’s strongest points in the international tourism market. The quality of inter-island transportation is obviously essential to exploiting this potential.
frequently changed, and passengers are not always notified. The need to keep re-checking whether bookings have changed is a nuisance to passengers. (ii) Professional and trustworthy booking services. The complaints of emigrants are often related to bookings rather than flight operations. As one respondent in the diaspora consultations put it, ‘there is nothing more irritating than having to confirm, and reconfirm booking on TACV, only to find out the day of the trip that somehow my booking has been cancelled’. A related issue is the allocation of seats in periods of insufficient supply, especially during August and around New Year. Some emigrants (like the person just quoted) are frustrated because their bookings are cancelled, while others are content that because they have friends or relatives in TACV who can allegedly always get them a seat, even if the flight is full. (iii) Reduction in the incidence of delays and cancellations. In 2007, as many as 55 percent of TACV flights were delayed, on average for an hour and half. Most delays were caused by factors internal to the company, such as availability of pilots. (iv) Better handling of delays and cancellations. In addition to reducing the incidence of delays and cancellations, there is a large potential for improvement in the handling of such situations when they occur. As one tourist who experienced cancellations put it ‘when chaos broke out, the TACV office at the airport just shut the window and offered no information or assistance’.

Risk 5. Sustained problems in TACV services and company image

Despite significant improvements in recent year, problems in the services and company image of TACV Cabo Verde Airlines continue to be a constraint on Cape Verde’s development and the potential contributions from the diaspora. In relation to the diaspora, it is essential that the current restructuring of TACV take emigrants’ complaints seriously and overhaul the company in a persuasive way. The view expressed in the diaspora consultations, that ‘TACV is a shame for the country’ is, unfortunately, frequently heard.

Improved services will eventually improve the image of TACV, also in the diaspora. However, the challenge of turning around an existing, negative image has particular implications. Just as with emigrant’s evaluation of public administration, there is a significant time lag between improvement in services and reassessment on the part of the diaspora. The current restructuring and privatization is a unique opportunity to recast the company’s profile. From a migration and development perspective, it is extremely important that the company be perceived and experienced as truly transformed. Piecemeal improvements may even be counterproductive, in the sense that passengers may cease to believe in real change. The current slogan, ‘O prazer de viajar bem’ (‘A pleasurable way of flying’) may have done considerable harm by highlighting the company’s weak points. Even the satisfied passengers — who are also numerous — are unlikely to think of TACV as offering a particularly pleasurable way of flying. Those who experience problems with the airline’s operations and service, however, may see the slogan as a provocation, as is evident in numerous online discussions.

78. Improved services will eventually improve the image of TACV, also in the diaspora. However, the challenge of turning around an existing, negative image has particular implications. Just as with emigrant’s evaluation of public administration, there is a significant time lag between improvement in services and reassessment on the part of the diaspora. The current restructuring and privatization is a unique opportunity to recast the company’s profile. From a migration and development perspective, it is extremely important that the company be perceived and experienced as truly transformed. Piecemeal improvements may even be counterproductive, in the sense that passengers may cease to believe in real change. The current slogan, ‘O prazer de viajar bem’ (‘A pleasurable way of flying’) may have done considerable harm by highlighting the company’s weak points. Even the satisfied passengers — who are also numerous — are unlikely to think of TACV as offering a particularly pleasurable way of flying. Those who experience problems with the airline’s operations and service, however, may see the slogan as a provocation, as is evident in numerous online discussions.

Many emigrants are concerned about the services of TACV Cabo Verde Airlines; some say that ‘TACV is a shame for the country’. The current restructuring and privatization is a unique opportunity to recast the company’s profile.

11 A Semana, 28 March 2008.
In view of the public relations challenges, the online presence of TACV is a source of concern. While Cape Verdean government and civil society have rapidly developed web sites over the past five years, there has been no proper company web site for TACV. National sites have been developed in Germany and the United States, but the site www.tacv.cv only contains the words ‘under construction’ and www.tacv.com has been bought by a domain-trading company. Planes have, for some time, been decorated with the URL www.flytacv.com, but the site has only recently contained company information. Still, all the links are broken, and the booking interface is covered with a ‘coming soon’ label. Every time an emigrant searches for information about TACV on the web and gets disappointed, the necessary turnaround of the company’s image becomes more challenging.

Emigrants may be frustrated over TACV in other ways than non-Cape Verdean tourists because it is the flag carrier of their country of origin, and they would have liked to see it as a source of pride. When emigrants say that ‘TACV is a shame for the country’, it is, by extension, a shame for the global Cape Verdean nation. This identification with TACV as a flag carrier could, potentially, be turned to the company’s advantage. For instance, a new slogan and logo should aim to create a sense of recognition and pride in the diaspora. The recent introduction of announcements in Kriolu on flights is a very welcome step in terms of strengthening associations between TACV and the qualities of Cape Verdeanity that may appeal to tourists and emigrants alike.

3.11 Positive image of Cape Verde abroad

Tourists’ and emigrants’ positive experiences in Cape Verde help build the country’s image abroad. A distinct and positive image of Cape Verde as a tourism destination is fundamental as a compensation for the high price level. Word-of-mouth communication among emigrants, potential tourists, and between the two groups plays a key role. As one respondent in the diaspora consultations put it, quality services in terms of immigration formalities, accommodation and transportation are required ‘so that when you tell a friend to visit Cape Verde, they feel welcome when they go’. In addition to the direct contribution of diaspora tourism, Cape Verdians abroad could, in this way, serve as promoters of Cape Verde vis-à-vis potential tourists.

A distinct and positive image of Cape Verde abroad is at the heart of potential synergies between migration, tourism and local development (Figure 11). Such an image is not only based on tourist experiences in Cape Verde, but also on Cape Verdean representation abroad through the diaspora and Cape Verdean goods. When Cape Verdians in the diaspora identify strongly with their country of origin, they can contribute to promotion of Cape Verdean goods and Cape Verde as a tourist destination. At the same time. Consumption of Cape Verdean goods and holidays in Cape Verde can nurture such identification. The same applies to tourists, who may build a lasting relationship with Cape Verde, based on a distinct and positive image of the country, that also entails consumption of Cape Verdean goods. These mutually reinforcing mechanisms are illustrated along the perimeter in Figure 11. The image of Cape Verde abroad needs to be distinct, just as much as it needs to be positive. Marketing that presents Cape Verde as generic ‘paradise islands’ may undermine the country’s potential for high-quality tourism. Protecting and promoting Cape Verde’s unique characteristics, by contrast, can contribute to successful ‘branding’ of the country.
3.12 Close ties diaspora–homeland → Export of Cape Verdean goods

Given the high cost level in Cape Verde, and the high transportation costs to reach markets, production for export has limited potential. The greatest opportunities lie in producing quality products that are distinctly Cape Verdean. In line with the synergies presented in Figure 11, such products can appeal to ethnic markets and simultaneously contribute to the branding of Cape Verde. (Music already serves this purpose in a remarkable way, even if it is an export in cultural rather than economic terms, since most production takes place abroad.) Culinary products such as grogue, goat cheese, and traditional marmalade are distinctly Cape Verdean. Improved production for a quality-conscious market could prepare the ground for exports in the form of sales abroad as well as in the form of sales to tourists and emigrant visitors in Cape Verde. Individual producers will obviously need to make a profit, but the potential multipliers and contribution to Cape Verde’s international image would justify increased government support.

3.13 Demand for local goods and services

Return visits from the diaspora, return migration, and tourist arrivals can all contribute to demand for local goods and services in Cape Verde (cf. Figure 2). Alternatively, they may simply increase imports. While import-substitution in general is clearly not a viable development strategy for Cape Verde, the spending of tourists and visiting migrants represents opportunities for business development. The better the quality of locally owned businesses (hotels and restaurants) and locally produced food, the more of the money brought into Cape Verde by emigrants and tourists will have local multiplier effects. In addition, local expenditure can be increased by creating new services or goods that appeal to tourists or visiting emigrants. In studies of remittances and development, too much attention is often given to the size of inflows and the balance between consumption and investment in the first round of spending. Acknowledging that the
bulk of remittance income is spent on consumption, the origin and nature of the goods and services consumed are a key factor for development implications.

3.14 Inflow of remittances → Use of financial services

85. In societies with limited use of financial services, remittances represent an opportunity for facilitating the financial integration of broad population groups. For instance, an inflow of remittances can contribute to 'banking the unbanked' if recipients benefit from saving remittances in bank accounts and/or receiving remittances through account-to-account transfers. The increased use of financial services is a possible consequence of remittances that can, indirectly, contribute to employment creation and poverty reduction (cf. Figure 2).

86. In the international literature on remittances, emphasis is often placed on the need to channel remittances into the formal financial sector in order to increase the liquidity of financial institutions and thereby ease access to credit. This is not a priority in Cape Verde, for reasons that will be explained below (paragraph 95). The potential benefits of promoting financial services to remittance receivers therefore has more to do with the receivers' capacity to manage their own finances. Recipients' financial literacy and the use of banking services are also important to expanding the choice of transfer mechanisms and thereby reducing transfer costs.

87. Most of the remittance inflow to Cape Verde is transferred through the banking system, but Western Union is increasing its market share (Figure 12 and Figure 13). Western Union is represented in Cape Verde by major banks (including BCA and CECV) and most transfers are collected in banks. Nevertheless, it is important to appreciate that cash-to-cash transfers such as those offered by Western Union do not facilitate integration of remittances and other financial services. The convenience and speed of Western Union is widely appreciated by customers. This was expressed in the diaspora consultations and echoes the research findings from other countries. Nevertheless, high transfer costs are a frustration for individual users and represent a loss to the national economy of Cape Verde. The total cost of making transfers to Cape Verde with Western Union can exceed 20 percent of the transfer amount. The fee paid by the sender is typically in the region of 10 percent for small amounts (e.g. USD 9.99 for sending USD 100 from the United States) but may be as large as 17–19 percent (e.g. EUR 17 for sending EUR 100 from the Netherlands or SEK 190 for sending SEK 1000 from Sweden). The exchange rate used by Western Union adds an additional cost that varies by currency. This is zero for Euro, because of the pegged exchange rate, and low for USD (about 1 percent) but can reach 5 percent for European currencies. When a Cape Veridian emigrant in Sweden sends SEK 1000, the recipient in Cape Verde can collect CVE 11,301, but the total amount paid by the sender, including the fee, is the equivalent of CVE 13,966, or 24 percent more.

12 It is not clear how remittance senders would react to lower transfer costs. They may keep the savings to themselves, or they may transfer them to recipients in the form of higher remittances. When migrants are viewed as part of the Cape Veridian nation, lower costs will, in any case, benefit the nation as a whole.
14 Calculations based on information from www.westernunion.com (April 2008) and the interbank exchange rate.
A renewed handbook for emigrants should increase migrants’ awareness of the different options for sending remittances, and enable them to compare costs. The diaspora consultations show that there is potential for better understanding and availability of information. The focus should be on assisting migrants in making the best choices for themselves and their families, not on promoting specific transfer mechanisms.
89. Transfer costs fluctuate and vary by country, but several countries, including the United Kingdom, the Netherlands, Norway and Spain have dedicated web sites through which remittance-senders can compare services. The handbook for emigrants should indicate such web sites. Increased awareness about new services such as card-based transfers should also be promoted. The use of ATMs has grown rapidly in Cape Verde in recent years. From the beginning of 2006 to the end of 2007, the number of monthly withdrawals more than doubled. Usage per card is low, but difficult to estimate without knowing the rate of replacement of cards. In total more than 200,000 cards have been issued for the Rede Vinti4 network since 2000. The growth in services other than withdrawals indicate a potential for promoting card-based remittance services. Not all such services require a bank account, nor do they imply the high costs and sometimes slow delivery of account-to-account transfers.\textsuperscript{15}

90. Many remittance receivers do not use their bank account for savings (if they have an account at all). However, emigrant deposits in Cape Verdean banks are very large. In the BCA, about two thirds of total deposits are placed in emigrants’ accounts. Deposits have risen steadily, but the rate of growth has declined since the turn of the Century Figure 15). Banks offer favourable conditions in such accounts, provided that the account holders have an emigrant’s certificate and the money be deposited in foreign currency. The large banks invest heavily in the relationship with emigrants and regularly send delegations to meet with diaspora communities.

\textbf{Figure 15.} Emigrant deposits in Cape Verdean banks 1993–2007

\textit{Data source: Banco de Cabo Verde.}


**Figure 16.** Ease of Doing Business, By Gross National Income Per Capita.


### 3.15 Investment in Income-Generating Activities

91. Policies for promoting investment go beyond those that deal specifically with migration-development links, and will be addressed in other parts of the DTIS. Although the government is working actively to improve the business climate, it is worth noting that doing business in Cape Verde is relatively difficult compared to other economies at the same income level. As illustrated in Figure 16, the ease of doing business generally rises with per capita income. Countries that are similar to Cape Verde in terms of income level, however, tend to have better business climates (illustrated by the blue band). These countries include many other small nations with large diasporas: Armenia, Dominican Republic, El Salvador, Jordan, Samoa, Tonga, and Vanuatu.

92. A renewed handbook for emigrants should contain a chapter on investment opportunities that is carefully formulated on the basis of the actual information needs and prerequisites of Cape Verdeans in the diaspora. This would include basic information about taxation etc, but also advice to help emigrants develop their own business plans. For instance, the message ‘invest in a market that you know’ should be stressed and explained. Too many migrant businesses are unsuccessful because the owner fails to capture the nuances of customer demand. This is especially the case in the tourism sector. Numerous migrants have worked in hotels and restaurants, and this may have given them valuable expertise. However, it is far from a guarantee for understand-
ing what would appeal to potential customers. Migrants who have had a hard time making ends meet and preferred to save up for holidays in Cape Verde may have limited experience as guests in hotels and restaurants. Investment information in the handbook should be part of a broader strategy of advisory services to migrant investors.

3.16 Inflow of remittances → Investment in Income-Generating Activities

93. In the international policy debate as well as in Cape Verde, there is great faith in the potential of remittances to finance investment in income-generating activities. The primary obstacle is that the persons in charge of remittance expenditure—be they non-migrant remittance recipients or migrants themselves—often lack entrepreneurial skills. A large proportion of remittances go directly to consumption in low-income families, and it is difficult to encourage diversion of the funds into long-term investment.

94. In Cape Verdelan statistics, remittances and investment are separated. Transfers exceeding 1,000,000 CVE (€ 9069) are classified as investments. From 2007 onwards, emigrants’ investments are classified separately. These were previously mixed with other private investments, such as real estate purchases by Europeans. In 2007, emigrant investment constituted 3,672 million CVE, or 35% of total foreign direct investment.

95. A possible mechanism that has been given much attention internationally is that saving remittance income in local financial institutions may increase the availability of credit to local entrepreneurs and thereby contribute to investment regardless of the entrepreneurial inclination of the persons who happen to receive remittances. In Cape Verde, however, there is widespread agreement that there is excess liquidity in the banking sector, and that increased savings would therefore do little to improve access to credit. Current limitations of credit have more to do with the quality of business plans and the availability of collateral on the part of prospective debtors.

96. Microfinance is growing in Cape Verde, but the sector is still poorly developed. Activities are almost entirely limited to micro-credit. Microfinance organizations in Cape Verde are overwhelmingly NGOs that have entered into microfinance after a tradition of operating in other areas. The level of professionalization is still low, and attempts to organize the microfinance sector nationally have been somewhat problematic. Legislation regulating the microfinance sector is being introduced. In order to shield commercial banks from competition, there are restrictions on the rights of microfinance organizations to attract savings from the public. Unlike commercial banks, many microfinance organizations are characterized by insufficient liquidity.

97. Despite the shortcomings of microfinance in Cape Verde, the sector represents an important potential for improving links between migration and development. There are two possible connections: (i) Emigrants could be encouraged to place their savings in microfinance institutions, and thereby support micro-entrepreneurs. This could be appealing for the many emigrants who wish to ‘do something’ for development in Cape Verde but are not sure how to address the issue. If there are visible results in the form of poor Cape Verdeans who have managed to con-
struct sustainable livelihoods, emigrant account holders could be willing to accept lower levels of interest and convenience that in commercial banks. (ii) Transfers could be made through microfinance institutions. This would allow for remittances to be collected in recipients’ local communities. Several respondents in the diaspora consultations cited the lack of banking infrastructure in rural areas as a problem for their relatives. Attachment to a microfinance organization could also help receivers in managing their remittance income and accessing credit for investments that could expand their livelihood base. Such connections between remittances and microfinance are increasingly popular in other countries, especially in Latin America. The Haitian organization Fonkozé is among the most advanced in this respect, and operates in a country that shares certain characteristics with Cape Verde.

Recommendation 5. Linking microfinance and remittances

Supporting the development of microfinance in Cape Verde can play an important role in strengthening migration-development links. Technical assistance to the sector should aim towards establishing innovative connections between micro-entrepreneurship in Cape Verde, inflow of remittances, and the savings of the diaspora.

98. While acknowledging the potential of microfinance, several caveats are in order. (i) A higher level of professionalization must be achieved before innovative solutions can be explored. (ii) Coordination of the sector must be improved. Support should primarily be directed at sector-wide activities from which all the small microfinance institutions can benefit. (iii) Sustainability for debtors must be carefully monitored and improved. A large proportion of microentrepreneurs in Cape Verde are self-employed out of necessity rather than choice.16 The 2006 employment survey of the IEFP also showed that less than a quarter of the unemployed know of organizations that provide micro-credit. Of the 7 percent who had actually used micro-credit services, more than half regarded it an unsuccessful experience.

3.17 Return migration → Investment in Income-Generating Activities

99. Many return migrants invest in Cape Verde, partly out of a lack of other options. Salaried employment in Cape Verde after working abroad often has limited appeal, for financial as well as social reasons. Most investments are made in residential property (for renting out or for sale) and in small owner-operated businesses such as Taxis and shops. In terms of access to credit, migrants often belong to the so-called ‘missing middle’ between corporate financing and micro-credit. The same applies to non-financial investment support. There is widespread agreement that the investment promotion agency Cabo Verde Investimentos is not successful in facilitating small-scale migrant investment.

Recommendation 6. Training and advice to migrant entrepreneurs

The ambition of many migrants to invest in their country of origin is an important resource for Cape Verde. Poorly developed business plans and insufficient awareness of appropriate investment opportunities are constraints on the use of this resource – to the detriment of individuals, communities and the country as a whole. A structure for providing training and advice to migrant entrepreneurs should be developed.

100. Designing an appropriate support structure for migrant entrepreneurs lies beyond the scope of the diagnostic study and requires careful planning. It may be possible to build upon existing incubator initiatives, to use the network of emigrant support officers in the local municipalities, or the central coordination capacity of the Instituto das Comunidades. For a structure to be successful, however, several pitfalls must be avoided. (i) Bureaucrat advisors may lack the necessary commitment to individual projects. (ii) Migrant entrepreneurs may have unrealistic expectations of being given a business plan, or they may believe that taking advice will guarantee success. (iii) Migrants and advisors alike may fail to see, and build upon, the specific opportunities of each entrepreneur. Training and advice should therefore stress that there are key norms for planning, accounting, etc that are necessary, but that there is no blueprint which is sufficient for success. In designing the support structure, one should be open to the possibility of advisors or mentors in other roles than as government-employed bureaucrats.

101. The tourism sector is already attracting investment by Cape Verdean emigrants and return migrants, but this also represents a significant potential. There is a risk that the growth in tourism becomes dominated by large, foreign-owned companies, and that local communities see limited benefits. Emigrant entrepreneurs may have the attachment to local communities, small scale of operation, and motivation to invest that is necessary for fostering community-based tourism.

102. The greatest potential for community-based tourism exists on the islands of Santo Antão and Fogo, and to a lesser extent on Santiago and São Nicolau. These are islands with significant opportunities for hiking and other rural activities, and with an existing appeal to certain sectors of the market, that could be expanded. The investment climate could be improved in several ways: (i) footpaths should be maintained, marked and numbered; (ii) a classification system for accommodation should be established; (iii) information about accommodation and restaurants should be systematically compiled and made available online. All three points require regular monitoring in order to ensure reliability and integrity of the information.

Recommendation 7. Support for community-based tourism

Small-scale investments in community-based tourism should be supported through investment in physical and organizational infrastructure. This can facilitate investment by migrants. Efforts to improve the environment for investment should be coupled with support to individual entrepreneurs (Recommendation 6).
3.18 Close ties diaspora–homeland → Investment in Income-Generating Activities

103. Permanent or long-term return is not always a requirement for migrant-initiated investment. On the contrary, it is important to broaden the scope of potential diaspora investors beyond those who are willing to settle in Cape Verde. Investing in the Cape Verdean stock exchange is an obvious form of absentee investment that is gaining popularity in the diaspora.

104. Given the availability of capital in Cape Verde, emigrants’ contribution to investment in productive activities could lie in their expertise, cultural and social capital, and personal networks more than in their savings. Continued attachment to their country of residence could therefore be important to the success of their investments. Whether one resides in Cape Verde and travels regularly abroad or resides abroad and travels regularly to Cape Verde might be a matter of personal preference. In both cases, a transnational lifestyle with a high level of mobility could benefit the business and satisfy personal desires. Policies to support investment as well as regulations regarding taxation, etc must take into account the increasing incidence of such in-between positions between being a resident, an emigrant and a returnee.

3.19 Diaspora-funded development projects

105. Development projects funded by emigrants are an important part of the migration-development nexus in other parts of the world, most notably in Mexico and certain other Latin American countries. In Cape Verde, such initiatives still have very limited impact. Although purely philanthropic projects would fall outside the scope of the DTIS, the challenges encountered by organizers in the diaspora may resemble those that are faced by investors. For instance, many migrants complain about the bureaucracy in Cape Verde, be it in the context of constructing a house, establishing a business, or undertaking a welfare-oriented project.
4 Crosscutting issues

106. In addition to the issues addressed in Chapter 3, there are specific crosscutting issues in need of attention. These are addressed below under the headings of governance, networks and partnerships, and human resources. The final section of this chapter discusses specific aspects relating to the implementation of the strategic vision of *high levels of mobility in various forms* presented in section 1.2 in the introduction.

4.1 Governance

107. Governance has been defined as ‘the traditions and institutions by which authority in a country is exercised for the common good’\(^{17}\). This includes (i) the process by which those in authority are selected, monitored and replaced, (ii) the capacity of the government to effectively manage its resources and implement sound policies, and (iii) the respect of citizens and the state for the institutions that govern economic and social interactions among them.’ In the present context, the most relevant aspect of governance is point (ii). More specifically, what can be done to improve Cape Verde’s capacity to manage migration and its consequences for the benefit of employment creation and poverty reduction?

108. Mainstreaming migration issues in public administration and development policy is important, but not without challenges. The transition from Instituto de Apoio ao Emigrante (IAPE) to Instituto das Comunidades (IC) in 2001 is a case in point. An important function of the IAPE was to advise emigrants in practical matters such as return to Cape Verde and construction or purchase of housing. With the creation of the IC, this function was transferred to the local municipalities. On the one hand, this was a form of mainstreaming migration issues in public administration. Staff advising emigrants are now colleagues of those in charge of technical municipal management issues, and this facilitates the assistance process. On the other hand, the reorganization has rendered services to emigrants less visible, and, in some cases, been reduced because of competition with other needs within municipal administration. Many emigrants are unaware that in the Town Hall, perhaps in an unidentified office down a corridor, there is someone to whom

\(^{17}\) See World bank web site (http://go.worldbank.org/MKOG2S8V0)
they can turn for assistance. Furthermore, since services to emigrants are now an integral part of municipal budgets, the quality of service varies considerably depending on local priorities.

109. Relations between emigrants and bureaucrats are fundamental to many aspects of the migration-development nexus. Cape Verde has seen an impressive development in the quality of public administration over the past decade. The heritage of a less transparent and professional bureaucracy nevertheless continues to affect relations with the diaspora. This is not particular to Cape Verde, but reflects the fact that emigrants, in general, relate to past memories of their country of origin. It may take several return visits or online experiences for emigrants to adjust their image of Cape Verdean bureaucracy as backward and messy. The development of high-quality online services is an important catalyst in this process.

▲ Risk 6. A bias towards inaugurations rather than consolidation

Public infrastructure projects in Cape Verde are invariably inaugurated by politicians, who are honoured in person on a plaque. Inauguration ceremonies are also given substantial media coverage. This also applies to the launching of new government programmes and initiatives. Such inaugurations are particularly important in electoral politics in Cape Verde, given the absence of clear ideological fault lines. This creates a risk of undermining the fundamental, but largely invisible, work of consolidating and improving existing services and institutions.

▲ Risk 7. Undermining trust through disappointment over new initiatives

The rapid development of Cape Verdean public administration in general, and e-government in particular, carries the risk of poorly consolidated growth. Especially in terms of building trust with a sceptical diaspora population, it is important to ensure that new initiatives represent quality and reliability, and not merely hasty innovation. A case in point is the mushrooming web sites of government departments. Empty sections, broken links, ‘under construction’ signs or inability to handle the requests that are invited, may undermine the trust that such web sites have the potential to create. It is telling that in an online poll on the newly launched ‘Porton di nos ilha’ portal to government services, 62 percent of users regarded public services as ‘deficient’ or ‘bad’.

4.2 Networks and partnerships

Cape Verde has the benefit of a range of international networks and partnerships: the Special Partnership and Mobility Partnership with the European Union, regional cooperation within Macaronesia, the Economic Community of West African States ECOWAS), the Comunidade dos Países de Língua Portuguesa (CPLP) and ties with the Cape Verdean diaspora. Cape Verde is increasingly relating with other countries as an equal partner, rather than in the traditional role as a recipient of aid and other forms of support. This places great demands on the capacity and

18 Source: Porton di nos ilha (www.portondinosilha.cv, 1 April 2008. N=1846.) Respondents were self-selected, and are therefore not representative of all users. It is nevertheless striking that among those who actively voiced an opinion, the attitudes were so negative — even while visiting an impressive-looking newly launched portal.
quality of public administration in Cape Verde. It also requires that the country’s challenges be taken seriously, even where Cape Verde compares very favourably to other countries in the region.

**Risk 8. Complacency resulting from comparisons with the mainland**

*Cape Verde has experienced a remarkable development in recent years, and compares very favourably with other West African countries on all development indicators. Nevertheless, areas in which Cape Verde excel in relative terms also represent serious constraints or threats. Corruption and crime rates are comparatively low, and human capital levels are high. At the same time, these are among the areas which need serious attention if Cape Verde’s positive development is to continue.*

110. Cape Verde’s relationship with the outside world is still strongly influenced by the Portuguese colonial heritage. For instance, over the past five years, more than two thirds of exports have gone to Portugal, and almost half of imports have come from Portugal.\(^\text{19}\) Although it is more difficult to measure, Portugal is also the principal source of information and ideas about social organization. Many innovations in public administration in Cape Verde are based on Portuguese experience.

111. Relations with Portugal and the other Portuguese-speaking countries will undoubtedly remain important to Cape Verde. Technical cooperation with Portugal is increasingly important in the realm of migration, partly under the framework of the mobility partnership. Nevertheless, there is a growing need to diversify. Exploiting the development potentials of both migration and tourism requires a larger variety of engagement with the outside world. Language skills are fundamental in this respect. The language situation in Cape Verde has led to Portuguese being seen as the principal language of communication with the outside world, in contrast to Kriolu as the national language.

112. In the current educational system, students learn English or French in the 7th and 8th grade, and both languages in the 9th and 10th grade. The Ministry of Education is considering introducing both languages at an earlier stage. France has pursued an active language policy vis-à-vis Cape Verde and maintain two cultural centres on the islands. Cape Verde is also a member of the Francophonie. English is acquiring greater strategic importance in Cape Verde, also for relations with the diaspora. Increased competence in English should be a national priority. While French has traditionally been considered the ‘easier’ choice for students, English is increasingly popular with students and parents. Schools maintain a policy of splitting the student body in half for English and French during the first two years of teaching foreign languages. Some parents worry that this may prevent their children from studying English. Especially in Praia and São Vicente, private classes in English are in high demand. Even parents who are not well off make an effort to save money to pay the tuition fees because learning English is seen as an important investment.

\(^{19}\) Calculated on the basis of figures from Banco e Cabo Verde.
113. Even among those who have studied English in school, practical skills are often limited. One of the greatest impediments to better learning is the shortage of books. Textbooks are imported and sold at a high price, with the result that many students resort to photocopies or try to manage without a book.

114. English is acquiring greater strategic importance in Cape Verde for several reasons: (i) diversity of tourism, (ii) relations with the diaspora, and (iii) public administration, research, and the media. Each will be discussed in turn.

115. Diversity of tourism. Much of the current tourism is directed towards the resorts on Sal and Boavista. Expansion of tourism beyond the resorts, and with a greater consumption of local services, requires an ability to communicate in languages other than Portuguese. At the moment, rural tourism, such as hiking on Santo Antão, appears to have greatest appeal in the Northern European market. As noted earlier, good language skills are currently so rare that there is a mismatch with the salary level in hotels and restaurants.

116. Relations with the diaspora. A growing proportion of Cape Verdeans in the diaspora have had all their education abroad. Simultaneously, descendents of Cape Verdeans, especially in the United States, are reviving their interest in the country of origin. Both these trends imply that Portuguese is gradually becoming less adequate for communication with the diaspora. In many cases, children (or descendents) of Cape Verdean emigrants can communicate in Kriolu and in the language of their country of residence (English, Dutch, Italian, etc), but have a very limited command of Portuguese. Many emigrants therefore prefer information in English rather than in Portuguese. Paradoxically, these developments also mean that Kriolu is becoming more important as a language of communication with the outside world. Opponents of granting Kriolu official status and introducing Kriolu in schools often argue that Kriolu may be a threat to Portuguese and promote national isolation. On the contrary, the development of Kriolu as a written language may facilitate the maintenance of ties with the diaspora beyond Portugal in the long term.

117. Public administration, research, and the media. The final reason for the growing strategic importance of English is related to public administration, research, and national debates more broadly. The challenges facing Cape Verde in the current phase of development require an excellence in governance that is only possible if best practices and partnerships are sought beyond the Portuguese-speaking world. The same applies to expansion of national capacity for development-related research. Advancement of civil society and the mass media—both critical factors in the development process—also require greater engagement with the international domain in which English is the dominant language. It is increasingly common for senior civil servants to speak English, and several university-level establishments cooperate with partners in the United States. In other words, this is yet another area in which there has been progress, but where greater efforts are still needed.

118. The confusion surrounding Cape Verde’s graduation from the group of Least-Developed Countries amply illustrates the need for greater engagement with the English-speaking international domain. It is commonly believed that Cape Verde now becomes a ‘Medium-Development
Crosscutting issues

Country’, a concept that is inexistent in the United Nations and World Bank classifications. This misunderstanding is frequently reproduced in the media, and even in government documents.

- **Recommendation 8. Strengthening of English language skills**

  *A national plan for increased competence in English should be developed. This is of growing strategic importance to national development. Such a plan should encompass not only the school system, but also consider ways of making English training widely available and affordable to different groups of the adult population.*

119. A national plan for increased competence in English should consider the different needs of various population sub-groups. The experience of China in preparation for the Beijing Olympics is illustrative of how this is possible.

### 4.3 Human resources

120. For the reasons discussed above, increase competence in English is an important aspect of human resource development, also for making the most of Cape Verde’s potential migration-development links. The need for expanded professional training has also been addressed. In addition, recruitment practices and mechanisms need to be considered.

121. Recruitment of employees in Cape Verde often happens informally. In public service, positions above a certain level must be filled through an open call for applications. The employment centres play a role in matching supply and demand through a local database. A web site for training and employment, *Bolsa de Qualificação e Emprego* is currently being developed by the instituto de Emprego e Formação Profissional. At the same time, as mentioned earlier, there are initiatives specifically geared towards recruitment in the diaspora. This is a case where mainstreaming of migration issues could be advantageous. With one online portal for all, it would not have to be pre-determined which opportunities were suitable for emigrants.

- **Recommendation 9: One online recruitment centre for all**

  *Steps should be taken to develop an online recruitment centre through which positions could be advertised to the entire Cape Verden nation, resident or in the diaspora. This should preferably be the portal for employment in Cape Verde, and supplement the use of newspapers to announce vacancies. Opportunities for training, internships, etc could be advertised within the same portal.*

122. The position of the online recruitment centre could be strengthened by making it the default place of announcement for vacancies in public administration which by law must be filled though an open competition, complementing advertisement in newspapers. A high-quality

---

20 The Least-Developed Countries are defined by the United Nations on the basis of low income, human resource weakness and economic vulnerability. Cape Verde has, for many years had a much higher per-capita income that other least-developed countries and belonged to the ‘lower-middle income’ group of countries in the World Bank classification.
widely used portal could also improve the culture of transparent merit-based recruitment in Cape Verde more generally.

**Risk 9. Non-meritorious recruitments**

There has been remarkable progress in Cape Verde in terms of human resource management. Recruitment processes are increasingly transparent, competitive, and based on objective merit. Nevertheless, weaknesses in three areas remain a serious liability: (i) too many senior positions in civil service are designated political appointments. (ii) party politics play too large a role in appointments that are not officially political. (iii) personal networks play too large a role in recruitment processes that are supposedly transparent and competitive. (iv) transparent and competitive recruitment is not the norm for lower-level positions. The latter two points apply to both the public sector and the private sector.

123. A comparison of attitudes in eighteen African countries through the Afrobarometer network found that Cape Verdeans were among the least likely to condemn corrupt recruitment practices. Almost half of respondents did not regard it as ‘wrong and punishable’ if a government official gives a job to someone from his family who does not have adequate qualifications (Figure 17). The reliance on patrimonialism and informal recruitment partly reflects the fact that Cape Verde is a small country, where ‘everybody knows each other’. However, promoting fair and transparent practices is therefore particularly important in the context of attracting expertise from the diaspora. Highly qualified emigrants depend on this not only to guarantee their own employment, but also to ensure a professional work environment where colleagues are hired for their qualifications.

![Figure 17. Condemnation of corrupt employment practices. Percent](image-url)

*Data source: Afrobarometer Surveys 2005. Percentages represent the proportion of respondents who say that it is ‘wrong and punishable’ if a government official gives a job to someone from his family who does not have adequate qualifications.*
4.4 Implementing the strategic vision

124. As discussed in the introduction, the strategy for migration-development interaction in Cape Verde should be based on a vision of high levels of mobility in various forms. This has informed the analysis in preceding chapters. Here, the potential of GATS Mode 4 and the important of bilateral collaboration will be addressed.

125. The General Agreement on Trade in Services (GATS) covers four modes through which trade in services could take place, including the movement of natural persons, Mode 4 (Table 3). So far, Mode 4 has had limited impact on actual mobility and much of the attention given to it has been based on the potential of the negotiations. The GATS essentially provides a shared framework for agreements, but does not guarantee any concessions. A principal obstacle to trade in services under Mode 4 has been the issue of ‘temporariness’. The presence of natural persons is related to migration policy, and industrialized countries have been reluctant to regard it purely as a trade issue.

126. For Cape Verde, the different modes of trade in services can inspire the development of broad mobility-related development, in line with the strategic vision outlined in this report. However, the complexity of the Mode 4 negotiations and implications for migration between high- and low-income countries more generally indicate that Cape Verde could benefit from emphasizing other arrangements for labour migration. Under Portuguese legislation, for instance, there are ample opportunities for labour migration, given an appropriate match of supply and demand. Furthermore, the Mobility Partnership with the European Union creates possibilities for arrangements that are founded on Cape Verde’s special status.

127. Regardless of the limitation on mobility under Mode 4, the GATS framework indicates the variety of ways in which trade in services can be developed in Cape Verde. Even if it is not formalized as Mode 4, employment of Cape Verdeans abroad will continue to be important. The same applies to tourism (Mode 2). Possibilities for diversification of the economy may lie in other parts of Mode 2 (e.g. education services), as well as in Mode 1 and Mode 3.

**Table 3. Modes of trade in services defined in the GATS**

<table>
<thead>
<tr>
<th>Mode 1: Cross-border</th>
<th>Location of Cape Verdean service providers</th>
<th>Location of foreign service consumers</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Commercial Entities</td>
<td>Natural Persons</td>
<td>Abroad</td>
</tr>
<tr>
<td>Mode 2: Consumption abroad</td>
<td>Cape Verde</td>
<td>Cape Verde</td>
<td>Cape Verde</td>
</tr>
<tr>
<td>Mode 3: Commercial presence</td>
<td>Abroad</td>
<td>—</td>
<td>Abroad</td>
</tr>
<tr>
<td>Mode 4: Movement of natural persons</td>
<td>Cape Verde or Abroad</td>
<td>Abroad</td>
<td>Abroad</td>
</tr>
</tbody>
</table>
128. The vision of migration-development links based on high levels of mobility in various forms must be implemented in cooperation with destination countries. Apart from lifting restrictions on entry, for instance by exempting Cape Verde from a visa requirement, countries of destination can adapt their policies to ease the lives of migrants and families that are divided by migration. Recent initiatives by Portugal and Luxembourg are cases in point.

129. The Portuguese immigration law of 2007 creates new opportunities for return migration by letting permanent residents retain residence rights for up to ten years outside the country. Return migration is typically an uncertain undertaking, and this provision enables migrants to return for some time without making an irrevocable decision. Until 2007, residence rights were lost after six months of unjustified absence from Portugal. This is exactly that type of policy change that may allow for migration-development links to be strengthened. In Cape Verde, Portugal has also opened a centre to assist and inform prospective migrants in their country of origin, modelled on the 73 such centres that already exist to assist migrants in Portugal.

130. Luxembourg has recently established an embassy in Cape Verde, and also appointed an agent to work closely with families through the family reunification process in order to facilitate the transition to life in Luxembourg. There are about 100 cases of family-based migration from Cape Verde to Luxembourg every year, and the majority concern children being reunited with their parents. The approach taken by the embassy of Luxembourg ensures that children and their parents are prepared for the transition, and that the migration of the children is timed so as to minimize disruption to their schooling. By offering guidance to the children and their families, the embassy ensures that the integration starts well before departure from Cape Verde. This approach differs markedly from that of the Netherlands, where a test of Dutch language and knowledge of Dutch society (to be taken in Dakar) is used as a screening mechanism for allowing or denying family reunification.
5 Review of recommendations

131. Recommendations have been integrated in the text of the report, placed in the relevant sections of the analysis. They are summarized in Table 4 for review, with reference to the page on which they were presented. The table includes an assessment of the required investment for each recommendation, in terms of political co-ordination as well as in financial terms. The recommendations are differentiated by the time frame for implementation and impact. Suggested coordinators and/or partners are identified for most of the recommendations.

Table 4. Summary of recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Presented on page</th>
<th>Political coordination needs</th>
<th>Budgetary requirements</th>
<th>Time frame</th>
<th>Possible coordinators and/or partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Expanded professional training</td>
<td>17</td>
<td>Medium</td>
<td>High</td>
<td>Long</td>
<td>IEFP</td>
</tr>
<tr>
<td>2. A national migration research fund</td>
<td>20</td>
<td>Medium</td>
<td>Medium</td>
<td>Short</td>
<td>IC, INE, Intl exp</td>
</tr>
<tr>
<td>3. A national survey on migration</td>
<td>21</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
<td>INE, Intl exp</td>
</tr>
<tr>
<td>4. Renewed handbook for emigrants</td>
<td>22*</td>
<td>Low</td>
<td>Low</td>
<td>Short</td>
<td>CCISS, IC, Intl exp, PDC</td>
</tr>
<tr>
<td>5. Linking microfinance and remittances</td>
<td>37</td>
<td>High</td>
<td>Medium</td>
<td>Long</td>
<td>To be identified</td>
</tr>
<tr>
<td>6. Training and advice to migrant entrepreneurs</td>
<td>38</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
<td>CCISS, IC, PDC</td>
</tr>
<tr>
<td>7. Support for community-based tourism</td>
<td>38</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
<td>To be identified</td>
</tr>
<tr>
<td>8. Strengthening of English language skills</td>
<td>44</td>
<td>High</td>
<td>High</td>
<td>Long</td>
<td>To be identified</td>
</tr>
<tr>
<td>9. One online recruitment centre for all</td>
<td>44</td>
<td>Medium</td>
<td>Low</td>
<td>Short</td>
<td>IEFP, IC</td>
</tr>
</tbody>
</table>

Abbreviations used in the table: CCISS: Câmara de Comércio, Indústria e Serviços de Sotavento; IEFP: Instituto de Emprego e Formação Profissional; INE: Instituto Nacional de Estatística; Intl exp: International expertise (to be identified); PDC: PD Consult. *) For details on the handbook for emigrants, see also pages 33 (paragraph 88) and 35 (paragraph 92).
132. Political coordination needs are high for the recommendations which affect several ministries and/or could have controversial implications. For instance, Recommendation 5 (linking microfinance and remittances) implicates the financial regulatory regime, and Recommendation 8 (strengthening of English language skills) will be controversial because English is given preferential treatment over French. Recommendation 4 (renewed handbook for emigrants), by contrast, is a technical intervention with limited co-ordination needs.

133. Budgetary requirements depend on the level of ambition for each intervention. For instance, significantly strengthening English language skills in large population groups require a very large investment, but small steps towards this aim can be taken at a low cost. Tentative budgets will need to be elaborated for each recommendation.

134. The time frame refers to the time needed for implementation, and for results to be seen. The recommendations with a short time frame will be relatively quick to initiate, and will produce results relatively soon. These recommendations will also have long-term positive effects.

135. Possible partners or co-ordinators are indicated tentatively, based on the consultations undertaken during the mission to Cape Verde. The principle of mainstreaming may, in some cases, imply shifting responsibility away from the Instituto das Comunidades. Nevertheless, the IC can play an important role in ensuring that migrants’ perspectives are integrated, for instance in an online recruitment centre. PD Consult is one of several consultancy companies that have emerged in Cape Verde in recent years. This company, or possibly others, will be able to complement the work of civil servants in developing professional services to migrants, such as a handbook and an investment advisory structure.

136. While the nine recommendations in Table 4 have been identified as important and feasible, many others could have been suggested on the basis of the analysis. In particular, steps may need to be taken to minimize the consequences of the risks that have been identified (Table 5).

137. The recommendations are those of the author and may need to be modified in light of the other components of the DTIS and/or the perspectives of partners in the Integrated Framework process.

**Table 5. Risks identified**

<table>
<thead>
<tr>
<th>Risk</th>
<th>Presented on page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Potential for corruption in visa allocation</td>
<td>17</td>
</tr>
<tr>
<td>2. Insufficient information for sound policy development</td>
<td>18</td>
</tr>
<tr>
<td>3. Undermining the existing tourism potential</td>
<td>28</td>
</tr>
<tr>
<td>4. The rise in violent crime</td>
<td>28</td>
</tr>
<tr>
<td>5. Sustained problems in TACV services and company image</td>
<td>29</td>
</tr>
<tr>
<td>6. A bias towards inaugurations rather than consolidation</td>
<td>42</td>
</tr>
<tr>
<td>7. Undermining trust through disappointment over new initiatives</td>
<td>42</td>
</tr>
<tr>
<td>8. Complacency resulting from comparisons with the mainland</td>
<td>43</td>
</tr>
<tr>
<td>9. Non-meritorious recruitments</td>
<td>46</td>
</tr>
</tbody>
</table>
Annex: Individuals consulted

Meetings with the following 40 individuals were held in Dakar, Praia, São Vicente and Sal between 26 February and 18 March 2008. See section 1.4 on methodology for details.

Severine Arnal, Encarregada de programas, Delegação da Comissão Europeia em Cabo Verde (Praia)
Laurent Mehdi Brito, Managing Director, Millennium Challenge Account (Praia)
Ana Gonçalves Carvalho, Marketing and Public Relations Officer, Banco Comercial do Atlântico (Praia)
Francisco Carvalho, Técnico Superior, Instituto das Comunidades (Praia)
Eduardo Castro, Economist, African Department, International Monetary Fund (Praia)
Alberto dos Santo Cruz, Técnico de Emprego, Centro do Emprego do Mindelo (São Vicente)
Paulino Dias, Manager, PD Consult (Praia)
António Duarte, Presidente, Instituto Nacional de Estatística (Praia)
Nádia Firmino, Directora do Dep. de Formação, Instituto de Emprego e Formação Profissional (Praia)
Juan Frutos, Secretário da Embaixada, Embaixada de Espanha em Cabo Verde (Praia)
Jaime Puyoles Garcia, Coordinador General de Cooperación, Oficina Técnica de Cooperación (Praia)
Maarten Gischler, First Secretary, Embaixada dos Países-Baixos em Senegal (Dakar)
Maria Cândida Gonçalves, Director, English Language Institute, Praia (Praia)
Ester Guedes, Conselheira, Ministério de Administração Interna, Portugal (Praia)
Claude Jentgen, Chargé d’Affaires, Ambassade du Grand-Duche de Luxembourg (Praia)
Jan Kok, Second Secretary, Emabixada dos Países-Baixos em Senegal (Dakar)
Lamin Leigh, Deputy Division Chief, African Department, International Monetary Fund (Praia)
Filomena Lima, Técnico de Emprego, Centro do Emprego do Mindelo (São Vicente)
Lídia Lima, Directora, Centro do Emprego do Mindelo (São Vicente)
Julieta Lobo, Protocolo, Câmara Municipal do Sal (Sal)
Arnaldo Lopes, Assessor, Ministério dos Negócios Estrangeiros e Comunidades (Praia)
João Carlos Lopes, Assessor da Direção Comercial, Caixa Económica de Cabo Verde (Praia)
Maria de Lurdes Lopes, Coordenadora d’Censo 2010, Instituto Nacional de Estatística (Praia)
Helder Luz, Chefe de Serviço do Gabinete de Marketing, Caixa Económica de Cabo Verde (Praia)
Rosário da Luz, Secretária-Geral, Câmara de Comércio, Indústria e Serviços de Sotavento (Praia)
António Machado, Adido para a Cooperação, Cooperação Portuguesa (Praia)
Aguinaldo Marçal, Private Sector Project Manager, Millennium Challenge Account (Praia)
Miguel Ângel Martin, Adido a Embaixada, Embaixada de Espanha em Cabo Verde (Praia)
Paulo Medina, Técnico Superior, Instituto das Comunidades (Praia)
Celeste Monteiro, Agent de la Coopération, Ambassade du Grand-Duche de Luxembourg (Praia)
Aníbal Moreira, Chefe da Divisão Internacional e Liquidez, Banco Comercial do Atlântico (Praia)
Natal Prado, Subdirector-Central, Polícia Judiciária (Praia)
Julio dos Santos Rocha, Técnico Superior, Instituto das Comunidades (Praia)
Individuals consulted

Maria da Luz Rodrigues, Responsável do Gabinete de Atendimento ao Emigrante, Câmara Municipal de São Vicente (São Vicente)
Marcio Ronci, Senior Economist, African Department, International Monetary Fund (Praia)
Dulce Santos, Gerente, Agência da Praia, Banco Comercial do Atlântico (Praia)
Ana Cristina Semedo, Coordenadora da Área de Estatísticas da Balança de Pagamentos, Banco de Cabo Verde (Praia)
Amar Shanghavi, Economist, African Department, International Monetary Fund (Praia)
Filipe da Silva, Gestor e Especialista dos Sistemas de Informação, Federação das Associações Cabo-verdianas que operam na Área de Micro-Finanças (Praia)
René Charles Sylva, Director da Direcção das Estatísticas Demográficas e Sociais, Instituto Nacional de Estatística (Praia)

In addition, consultations were held with the following representatives of partners in the Diagnostic Trade Integration Study:

Jacob Adesida, Assessor, Ministério da Economia, Crescimento e Competitividade (Praia)
Jorge Borges, Secretário de Estado, Ministério da Economia, Crescimento e Competitividade (Praia)
Jeanne Gouba, Acting Resident Representative, United Nations Joint Office (Praia)
Mário Moniz, Managing Director, NGO Platform of Cape Verde (Praia)

A profile of the participants in the diaspora consultations is presented in the special report.²¹
