Making Tourism a Viable Economic Solution for Cape Verde

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**Dedication**

This thesis is dedicated to my parents, Albino and Dulce Lima. Their constant sacrifices have not only allowed me to pursue my goals but have been an everpresent motivation to continue forward. I am eternally grateful for their love, guidance, and support. Without them, none of this would have been possible.

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ABSTRACT

Making Tourism a Viable Economic Solution for Cape Verde

A thesis presented to the Graduate Program in Global Studies

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In the pre and post-independence era, high levels of migration and the resulting remittances were responsible for circulating capital in the local markets of Cape Verde, a country nearly devoid of natural resources. Over the last two decades, stricter immigration policies in destination countries, in tandem with the importation of cheap labor from out of the country has dried up the capital inflow in the poor local markets. Travel, however, still seems to be a relevant economic solution for Cape Verde, albeit in a different form than it has historically been. Rather than exporting labor for the sake of remittances from overseas, Cape Verde has slowly begun to increase its desirability as a mainstay in the tourism market. By creating a steady flow of capital into the tourism industry, and returning the services relevant to this industry to local entrepreneurs in local markets, Cape Verde can reestablish the flow of capital from foreign economies which has historically driven their local money supply. This thesis discusses what the government has done to grow the economy. The Cape Verdean government has adopted neo liberalism as an approach to development. Cape Verde is procuring development aid from international institutions such as the World Bank, International Monetary Fund, the
United States, and the European Union, which advocate free market policies that are based on the theory of neo-liberalism. This paper examines some of the neo-liberal policies that the government has embraced in order to industrialize the economy, create jobs, and to increase the standard of living.
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Chapter 1

Introduction

Cape Verde has historically been economically dependent on the steady flow of foreign capital into the local markets. Since first settlement in the islands, high levels of migration and the resulting remittances were responsible for circulating capital and sustaining the economy. Due to a lack of marketable natural resources, this dependence on foreign capital has continued to be a mainstay in Cape Verde’s economic picture.

Over the last two decades, however, stricter immigration policies in destination countries, in tandem with the importation of cheap labor from out of the country has dried up the capital inflow into the poor local markets. These tighter restrictions on immigration, combined with an increased cultural disconnect between Cape Verdean immigrants and their family members at home have rendered foreign remittances unreliable, if not obsolete as a means of capital gain. Despite this decrease in the influx of foreign capital to Cape Verdean markets, a lack of social and resource capital has hindered Cape Verde from attaining economic independence. Therefore, rather than being replaced, the influx of foreign capital must be reshaped in order to adapt to the modern sociopolitical conditions. Rather than exporting labor for the sake of remittances from overseas, Cape Verde has slowly begun to increase its desirability as a mainstay in the tourism market.

By creating a steady flow of capital into the tourism industry, and returning the services relevant to this industry to local entrepreneurs in local markets, Cape Verde can reestablish the flow of capital from foreign economies, which has historically driven their local money supply.
Cape Verde is a small archipelago of islands off the west coast of Africa. In size, it is miniscule, only “slightly larger than Rhode Island”¹ in land area. This small land area is divided between ten islands. Its proximity to Africa and convenient location in the Atlantic makes it an important communications site and refueling port, for both sea and air travel. According to the World Bank, Cape Verde also has a small population of 500,585, just passing the half million mark as of 2011. It is considered one of the most democratic governments in Africa, with suffrage universal for adults over the age of eighteen. Due to this progressive political stance, Cape Verde has enjoyed social advancement, which is on par with more developed societies, rather than the slower advancement noticed in other African countries. However, the economic dependence, which has been characteristic of Cape Verde's historical situation, has hindered the country in establishing a sound and sustainable economy.

**Literature Review**

There are several economic strategies that can be argued when determining the best course of action to stimulate Cape Verde’s economy.

The neoliberal economic theories advocate for free markets, trade without taxes and tariffs, deregulation, and no government involvement. The idea of a neoliberal economy stems from the laissez-faire, or free market discussed by Adam Smith in his 1776 book, *The Wealth of Nations*. It is based on the idea that the laws of supply and demand are sufficient to regulate markets. Smith also known as the "father of modern economics" wrote, “It is the maxim of every prudent master of a family, never to attempt

to make at home what it will cost him more to make than to buy.... If a foreign country can supply us with a commodity cheaper than we ourselves can make it, better buy it of them with some part of the produce of our own industry, employed in a way in which we have some advantage.”2 This would require open markets.

Another influential classical economist, David Ricardo, further elaborates on what is now known as the comparative advantage theory written in his 1817 book, *On the Principles of Political Economy and Taxation*. This theory advocates that countries should specialize in the areas where they are most productive. To obtain other goods, they can trade with other countries. Free trade allows this exchange of goods to occur so that all parties can benefit.

These neoliberal strategies were later adopted in the 1980s by the International Monetary Fund and the World Bank through the Washington Consensus. These institutions focused on stabilizing the economies of developing countries by providing loans in exchange for compliance of the neoliberal practices of deregulation, free markets, privatization, and lower government spending. In theory, the practices are sound, however when forced upon developing countries, the result has historically worsened economic conditions. Nobel prize economist Stiglitz criticizes the Washington consensus, “the treatment suggested by the IMF is too simple: one dose, and fast—stabilize, liberalize and privatize, without prioritizing or watching for side effects.”3 The

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Washington Consensus conditions favor developed countries by forcing markets to be opened in countries that are unable to protect them from exploitation. The attempt of developing countries to take ownership of their economy is overshadowed by the stipulations of the loans. However, they are not in the position to turn them away.

The second strategy further argues against neoliberalism stating that the government is needed to balance the opposing interests of workers and capitalists in the country itself. British economist John Maynard Keynes advocates for state intervention in his book, *The General Theory of Employment, Interest and Money*. The capitalist need of private sectors to maximize profits causes an unstable and inefficient economy that favors the wealthy. When this occurs government intervention is needed to stabilize the economy by stimulating investment through a reduction in interest rates and government investment in infrastructure. In addition, the government serves a role to promote social welfare. This is called a mixed economy.

Import Substitution Industrialization (ISI) is another strategy that may can be implemented. Emerging in the post-World War II era, it originated in Latin American countries. This economic theory is meant to increase self sufficiency by protecting local industries. It essentially closes the economy to other countries by imposing high tariffs on imports and discouraging foreign direct investment. Focus is then put on industrialization of all industries. ISI is the opposite of comparative advantage because it develops all areas of production instead of the areas that it has an advantage in. Imports are restricted to materials that are directly needed for industrialization. Those against ISI argue that it is “both economically inefficient and socially undesirable. It encourages the promotion of inefficient and high cost industries rather than the development of dynamic, low-cost
production that will promote economic growth, full employment, and an increase in living standard.”

Jeffrey Sachs’ *The End of Poverty* provided insight into struggling economies at large. Chapter three of his text suggests eight major categories that he argues are causes for many stagnant or declining economies around the world. Although Cape Verde is experiencing growth, rather than stagnation, this text makes relevant commentary about the socioeconomic situation of economically dependent countries. I use several of these categories as a framework to discuss how the situation applies to Cape Verde.

Lastly several essays which offer third party analysis and theoretical solutions to Cape Verde’s economic struggle are analyzed. These literary sources complicate and provide depth to the discussion surrounding the theories presented to support the thesis. For historical and contextual analysis, K. David Patterson’s “Epidemics, Famines, and Population in the Cape Verde Islands” was useful. This article analyzes the socioeconomic history of Cape Verde, particularly in regards to population growth, natural resource scarcity and natural disaster as inhibiting factors to economic growth. Additionally, Jorgen Carling’s article “Mobility at the Heart of a Nation: Patterns and Meanings of Cape Verdean Migration” offers relevant insight into Cape Verde’s long-time dependence on foreign capital, particularly in the form of remittances from abroad. Articles from authors such as Kesha Fikes, Bruce Baker, and Gancolo Carneirowell are used mainly to add relevant economic and social insights where they pertain to the goal of sustainable economic prosperity for Cape Verde.

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My theory, in addition to the existing economic theories presented, will be premised on suggested economic and social changes that would be relevant to Cape Verde’s continued economic growth. The strategy this thesis focuses on is the World Bank strategy of neoliberal policies. This option is the most reasonable at this point in Cape Verde’s economy progression but some adjustments have to be made. A combination of positions proves to be the most effective way to achieve sustainable economic prosperity. While acknowledging its recent growth, suggestions are made as to how an intensified focus on microeconomic growth will both stimulate and grow the economy on a macroeconomic scale.

**Methodology & Fieldwork**

The bulk of the research for this thesis was done online. The increasing sophistication of online research methods has made it easier and easier to access both primary sources as well as literature on any variety of subjects. Therefore, the bulk of the sources that this thesis will interact with were researched and obtained online. These sources include scholarly journals, magazines, newspaper articles, and library research publications written by specialists in the field. Once the sources were compiled, then separated between the primary and secondary sources, I compiled the information contained therein and applied it as relevant to my thesis.

More impactful than the secondary theoretical sources are the unstructured interviews that were conducted to support the theories in this thesis. To provide local and contextual analysis of the issue, I conducted interviews with a few Cape Verdeans who have firsthand knowledge of Cape Verde’s economic struggle. These interviews serve mainly to provide broad analysis of the issue, and also to bring a personal component to the arguments. Because these people live in Cape Verde, and are subject to many of the
issues that are discussed here, they can offer knowledge of the issue which will serve to broaden the issues discussed.

Due to the fact that Cape Verde’s economy is a subject that has been written about extensively, the methodology in going forward with my argument is relatively straightforward. I will establish a foundation, and prove there is a problem through primary data, relying on statistical and factual information to outline the struggle that defines Cape Verde’s economic picture. From there, I will provide an answer to the problem, first by analyzing other theoretical solutions which have been offered, and then by offering one of my own. I will define the problem, then undertake the difficult task of attempting to solve it, concluding the thesis with a set of suggestions which will offer thoughts on immediate and proactive measures which Cape Verde can take to stimulate new growth on the islands.

History

Cape Verde has historically been an economically unstable and socially remedial country. Like most African countries, it has a long history of colonization that correlates to a long history of social underdevelopment. Until July 5th, 1975, Cape Verde was a colony of Portugal, used by the Portuguese as a shipping port and refueling station. It was also used to provide human labor capital to Portugal when and where it was needed. Due to its colonial history, Cape Verde was never able to own or manage its economy until it attained independence. In the colonial era, Portugal did not provide Cape Verdeans with essential educational institutions to train them in business administration, transportation, and government. While they controlled the entire economy and the government, they did not provide Cape Verdeans with the proper infrastructure to guarantee a society prone to economic growth. There, even after independence, Cape Verdeans did not have the requisite skills to operate a modern economy.

Since settlement in the islands, the Cape Verdean experience has been much the
same as the experience of most countries in Africa. The continent of Africa has historically been subject to slavery, colonization, wars, genocides, extensive epidemics of disease, poor infrastructures, and more negative plights that have severely hindered its progression out of poverty. Upon observation of its history, Cape Verde has been through much of the same. Colonization was the reason, in fact, that the islands were first discovered, and it was through the slave trade that the archipelago became inhabited and began to develop a culture of its own. Therefore, the history of Cape Verde has been riddled with many of the same social problems that have plagued the countries of continental Africa.

Although many of these social issues have historically been caused by other countries through colonization and slavery, many of Cape Verde’s more prevalent setbacks are the subject of a harsh natural environment. Throughout the Portuguese rule over the islands, Cape Verde was the victim of a climate that sometimes made the islands almost uninhabitable. Drought and famine have, in effect, been one of the most devastating forces in the socioeconomic history of Cape Verde. K. David Patterson addresses this issue in *The International Journal of African Historical Studies*: “Droughts caused severe famines in 1901-1904, 1920-1921, 1941-1943, and 1947-1948. Tens of thousands of Cape Verdeans died of starvation during the first half of this century.” Even more problematic than the severity of these famines was their length and the regularity with which they occurred. While Cape Verde may survive one famine, it would hardly have time to recover before its people found themselves in the midst of another famine, just as devastating. The lack of infrastructure and social progressiveness in Cape Verde made it impossible for Cape Verdeans to deal properly with these issues, and food shortages became a prevalent cause of death.

Although geographically and environmentally similar to its peers on continental

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Africa, Cape Verde’s political trajectory has essentially separated them economically from the pack. Upon gaining independence, Cape Verde immediately began in the pursuit of a democratic government, with more success than most of its African peers:

At a time when there is a widespread conviction that various obstacles are preventing African countries from advancing to democratic consolidation and that the main issue is whether democratic regimes will survive at all, the small West African island republic of Cape Verde stands out as a successful case of political reform.6

Cape Verde is one of the small handful of African examples of successful democratic governments, those who engage in effective policy-making and are subject to minimal corruption. In this monumental step towards growth, it made history by “becoming the first case of “policy induced graduation” on the continent, as opposed to natural resources driven graduation.”7 While Cape Verde has not discovered a new way to cultivate natural resources, its engagement in sound policy making has worked to grow the economy in a way similar to that of the growth observed when a country finds a new cache of natural resources to tap into. In effect, good governance and sound economic policies were the driving force behind Cape Verde’s graduation. Through these measures, they have enjoyed reasonable social growth, relative to other countries with similar climactic conditions.

The consistency with which Cape Verde has sought to have an effective democratic government has begun to pay off over the last few decades. Despite their unique and unrelenting historical economic impediments, Cape Verde has somehow found a way to promote economic growth at a much more rapid pace than other African nations. Although Cape Verde does not yet enjoy immense economic prosperity, the stage is being set for them to both take part and compete in the global market. When

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comparing GDP per capita and purchasing power parity (PPP), out of the twenty poorest countries in the World, eighteen are located in Africa. However, the small archipelago off the coast of Senegal has thrived and continues to reach valuable benchmarks that are setting the stage for its global economic participation. In 2007, it became the second country to ever graduate from the United Nations’ category of Least Developed Countries. While Cape Verde is by no means economically independent at this time, this graduation shows that the United Nations considers it to have potential for doing so. Although Cape Verde’s recent observable growth has been provided largely by foreign aid from more developed countries, its graduation from Least Developed Nations indicates that it may at some point make the transition to growing their economy independently. This shows that while Cape Verde has historically suffered dire economic circumstances, it has recently showed a rather unprecedented level of growth, indicating that it may soon be able to participate in the global market, expanding both economic and social possibilities for the islands. However, deregulation of commerce and other recent policy decisions have served to marginalize the Cape Verdean worker once again. Therefore, this thesis will discuss neoliberal theories relevant to not only increasing economic growth in Cape Verde, but also more introspective economic theories focused mainly on returning the flow of incoming capital to the people, rather than foreign companies and workers.

**Neoliberal/Free Market Theory**

The economic future of Cape Verde, considering the pitfalls it has encountered historically, seems to lie in gaining self-sufficiency. However, a lack of natural resources demands that Cape Verde stimulate the flow of foreign capital into the economy.

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Therefore, the difficult part for Cape Verde is to establish a set of policies that will effectively bring self-sufficiency to the economy, while continuing to cater to an aesthetic of mobility. For decades, and even centuries, this aesthetic appeared in the form of emigration and remittances. However, the inability of Cape Verde to support its economy on this system in modern times denotes that foreign capital must come from elsewhere.

Although Cape Verde’s location is decidedly inconvenient in the context of natural resources and agriculture, its location does have benefits for other reasons. The climate of the islands is one that seems marketable for tourism. In addition, its location in the Eastern Atlantic is conveniently placed to be accessible to tourists from many different countries. It is easily accessible from both North and South America as well as from Europe. This thesis will argue that investing in tourism as a main source of capital gain is Cape Verde’s best chance of gaining some level of self-sufficiency. As a service, it does not demand much in the way of natural resources; its most important resource is the weather. An infrastructure created for tourism would undoubtedly increase the aesthetic pleasure a tourist would gain from a visit, and the weather, matched with the character of the islands, is enough of a draw for tourists to create a steady market that the islands could use as a main source of income.

Also important in making economic sustainability a reality for Cape Verde is returning the bulk of Cape Verdean commerce to the people, in the form of small, local markets. Privatization of business by the government has created a capitalist ideology with regards to foreign merchants taking advantage of a resource-poor economy, and in doing so taking money away from citizens of the islands and sending it out of the economy for the benefit of foreign workers and foreign companies. Although this does tend to bring more capital through Cape Verde, this capital does not remain in the local economy for long, and therefore does not serve to boost the economy or sustain it with any regularity. In fact, the growth in the size of the labor pool, in the absence of correlated growth in available jobs breeds higher levels of unemployment among Cape
Verdeans, as well as decreases the quality of life for those poor who are unable to compete with the foreign laborers and companies.

Although Cape Verde’s democratic government has already done much to foster economic growth for the islands, the need for continued economic stability requires that they do more. Free market capitalism has been proven by other, more economically sound countries to be an effective method, yet the government of Cape Verde must begin looking inward, rather than outward, if they wish to foster continued and sustainable economic growth. Without policies that protect the flow of capital into the local markets, the wealth gap will continue to grow in Cape Verde, marginalizing the local worker for the sake of increased macroeconomic growth. Although this may seem to stimulate Cape Verde’s global economic participation, it will surely be to the detriment of its local economic stability and social progress.

The neoliberal economic theory which Cape Verde has used to promote its macroeconomic growth has been successful, it seems, in doing exactly that. The neoclassical economic theory suggests that privatization and free market economics promote economic growth. It is thought that the privatization of business will promote competition, which will therefore promote market growth in general. This has a successfully used system in countries like the United States, where privatization is the standard.

Cape Verde, however, is a much smaller, less capable economy than the United States. While neoliberalism has increased its macroeconomic growth in the short run, predatory economic measures by foreign merchants has served to undermine the intentions with which the government decided to privatize business. The inability of Cape Verdeans to compete in their own local markets has kept unemployment a problem, while not allowing the circulation of capital which one expects to see with a free market economic system. Although the short run macroeconomic growth looks good on paper, the existing microeconomic issues will serve to undo the progress that has been made on
a macro scale. Therefore, Cape Verde must look inward, with the intention of making small local businesses their economic priority.
Chapter 2

Remittances and Immigration: A New Lack of Incoming Capital

Due to a lack of natural resources, Cape Verde has historically counted on migration and the resulting remittances from overseas to bring capital into the local markets. Although this dependence on foreign capital kept the country economically dependent, it also allowed a country nearly devoid of marketable resources to maintain a steady flow of capital within the local markets. This influx of foreign capital was generally infused into the local markets through the trade relationship that mostly affect segments of society like women, children, and the unemployed. Although the people in these markets typically stayed relatively poor, the inflow of foreign capital into the local markets enabled the economy to stay afloat, permitting those in it to eat and be sufficiently nourished for survival. The colonial history of Cape Verde also played a large role in its dependence on foreign remittances; in fact, some of these remittances were the result of forced migration. Although Cape Verde’s entire social and economic picture is connected to human mobility, in many ways this mobility also led to cultural issues that in turn exacerbated the existing economic issues. In addition, the ability to emigrate has become less and less accessible for Cape Verdeans, particularly where specific target countries are concerned. Without access to these countries and the foreign capital, which comes with this access, Cape Verdeans have been less able to provide remittances as a viable economic solution. Therefore, a new lack of capital has been observed to be flowing into the small, local markets of Cape Verde, reinforcing the economic issues that have plagued the archipelago for centuries now.
Cape Verde’s Migration History

Until recently, Cape Verde’s convenient location in the Atlantic combined with a rapidly expanding world economy created a perfect environment for the type of emigration which would for a long time make up a large part of Cape Verde’s income as a whole. The uninhabited islands were settled in 1462 by the Portuguese, and from there became a focal point for mass migration: The Portuguese capitalized on the convenient location of the islands, and used them to transport slaves to its colonies and to the Americas. In his book, *Mobility at the Heart of a Nation*, Jorgen Carling discusses the topic of Cape Verdean migration extensively. He states that, after colonization “Cape Verde became an important transit point in the Atlantic slave trade. The shipment of slaves through the archipelago was Cape Verde’s first experience with mass migration.”

The slave trade not only introduced the islands to migration on a large scale, it also served to populate the islands. The European settlers proceeded to breed with slaves from the mainland, creating a mixed population which would eventually come to be known as “Cape Verdean.” As the white settlers began to breed with the African slaves, and races began to mix, this slave trade brought Africans, and newly created Cape Verdeans around the globe, to Europe, South America, and what would come to be known as the United States. This slave trade continued through the facilitation of colonial Cape Verde until the middle of the nineteenth century.

When the slave trade was stopped, the face of mass migration for the Cape Verde islands changed drastically. While Cape Verdeans continued migrating to Portugal and its other colonies, its interaction with the Americas changed completely. Slavery came to an end in Cape Verde around the middle of the nineteenth century.

Around the same time, a new migration flow to the Americas developed. American whalers from ports in New England began to arrive in the harbours of the archipelago by the end of the eighteenth century. The captains of these ships were interested in recruiting cheap labour, and they found this among the impoverished islanders, who accepted any kind of pay as long as they could escape the hardship at home. Life onboard was hard and humiliating, and when they arrived in New England, some of the Cape Verdean sailors took the chance to disembark and try their luck on the new continent.\(^{11}\) By this time, a newly expanding western political economy provided all the demand necessary to replace the type of migration that was seen during slavery. The European expansion into new lands, as well as the modernization through technology created demand for labor across the globe. Cape Verdeans, dependent on remittances, were happy to fill the demand as necessary. Although migration was not yet viewed as a permanent move, in many cases the inhospitable conditions of the trip caused many Cape Verdeans to stay in the Americas. Upon arriving, these Cape Verdeans would attempt to find work in the relatively young United States, where they were likely to make more money than they would at home. During this time, the strong cultural bond between these emigrants and their families at home was sufficient motivation to begin the circulation of foreign capital in the local markets due to remittances. It was at this point that remittances began to make up a significant part of the Cape Verdian economy.

This dependence on foreign remittances was not short-lived, and is in fact still a large part of the Cape Verdian economic picture. In the beginning of the twentieth century, however, they began to observe some of the difficulties that come along with a dependent economy. Particularly considering their colonial status, in the beginning of the

twentieth century Portugal began to take part in increased forced emigration to support production in their other colonies: “Cape Verdeans were primarily forced to migrate to the islands of Sao Tome and Principe in the Gulf of Guinea, where they worked on coffee and cacao plantations. The exact degree of coercion is unclear, but in popular memory, the migration to Sao Tome and Principe is compared to slavery.”¹² This shift was not completely negative in an economic context however. The Cape Verdean “workers” were compensated in part as they worked, and the remainder of their pay was held for them, to be given when they returned to the islands from their time working. The workers were oftentimes willing and able to survive grueling conditions, and “[t]o the colonial administration’s surprise, by the early twentieth century, these state-coordinated remittances were a dominant and steady portion of the income circulating in the colony.”¹³ Although the Cape Verderan people had to endure another wave of slavery, the remittances resulting from these “migrations” proceeded to add some measure of stability to the economy of the islands. The fact that the state withheld wages during time they were working overseas may not have benefited the individuals working, but they benefited the Cape Verdean economy as a whole. The successful use of remittances as a large economic contributor was not forgotten, and would be continued deeper into the twenty-first century in a more voluntary manner.

Despite the fact that indentured labor continued, at a reduced rate, until the end of colonial rule, the middle of the twentieth century saw a process for Cape Verde of migration and remittance which was relatively developed economically. Where before emigration had mainly been a result of slavery, it seemed to make a transition that made it a viable and voluntary economic action for the Cape Verderan people. At this time, emigration to the United States became prevalent again, and Portugal began to demand

¹² ibid.

more and more labor capital from the islands: “In Portugal, labour migration was first
facilitated by Portuguese construction companies in Cape Verde who brought Cape
Verdean workers back to Portugal.... Demand for labour in Portugal was partly driven by
the emigration of Portuguese workers to non-Western Europe.”  

14 It was at this time when
remittances were at their most significant in the Cape Verdean economy. The increase in
voluntary emigration, in combination with the first appearance of second-generation
families in target countries created a strong incentive for migration among Cape
Verdeans to seek work abroad and send remittances back home to help their families
financially.

**Migration Culture**

Cape Verde is a rough place, with little rain, and very little in the way of natural
resources. The people of the islands, therefore, tend to see their home as somehow
connected to poverty. The barren nature of the homeland tends to reflect in the attitudes
of the people, and even more generally in the way they view themselves culturally. The
Cape Verdean people have been conditioned by a country that offers them inadequate
resources upon which to sustain themselves. In addition, the land in Cape Verde is arid,
barren, and wholly unsuitable for cultivating crops that are necessary to feed most of the
people. Cape Verdeans tend, in response, to speak about their homeland as if it is a being,
accepting it as the barren land it is and imagining that it has nothing to give them in terms
of resources.  

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Due to the fact that Cape Verde is barren and lacks marketable resources, its
citizens have to migrate, seeking work abroad, using migration as a means not only for

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14 Carling, Jørgen, and Lisa Åkesson. "Mobility at the Heart of a Nation: Patterns and
Print.
15 ibid.
physical survival but also for economic survival for the country. Lisa Akesson discusses the Cape Verdean tendency towards migration in her articles *Remittances and Inequality in Cape Verde*: “Today, the Cape Verdean authorities maintain that the majority of the population lives outside the national territory. Nearly everyone in Cape Verde has a relative living abroad. In a survey conducted in five locations across the country, 86 percent of the respondents stated that they have emigrant family members.” As one can see, Cape Verdeans are a people who are acclimated to both participating in and supporting family members who take part in migration. Migration is thought to lead to a better life, and therefore in Cape Verde “most individuals are oriented towards people and resources located in faraway settings.” In a way, much of the connectedness of Cape Verdean culture stems from this shared participation in migration culture.

An interesting result of Cape Verde’s migration culture is that trade and commerce in the local market relies mainly on the women, because the majority of the working men are overseas working for a better life. Kesha Fikes speaks about the impact of women in maintaining a manageable standard of living for the Cape Verdean poor. As demand for labor capital grew in target countries, more and more of Cape Verde’s able-bodied men were migrating so that they can earn money to sustain their families left in Cape Verde. These foreign remittances are used to buy and sell goods at the local markets. This is how they make additional capital in order to pay for the vital necessities that sustain an acceptable standard of living. As one writer noted:

Importantly, everyone sold and bought goods throughout the day with money in various municipal markets; this process guaranteed a constant flow of cash and dynamized this curious economy. Money from remittances was thus recycled as it moved through individual people, namely women vendors in food and goods markets, and then on to their families. Accordingly, the local poor had assumed the dual role of vendor

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17 ibid.
and consumer by the early twentieth century; their cyclical buying and selling patterns helped sustain cash reserves.\textsuperscript{18}

While the men were busy during this time migrating and sending back foreign capital to stimulate the economy, the women were equally important in trading and investing the capital received from remittances throughout the economy. Without this commercial activity, the money would not have changed hands sufficiently among the poor people in the country to sustain necessary living conditions for the majority of the people. By circulating this capital among the poor, Cape Verdeans were able to sustain relatively stable living conditions, even considering the dependent nature of their migration culture.

Despite the effectiveness of these economic practices, Cape Verdeans over the last half-century have become less and less immersed in the migration culture which stabilized their fragile economy for so long. Due to the fact that migration has been a mainstay in Cape Verlean culture for so long, Cape Verdeans at home now seem to lose touch with their ancestors who have migrated. Fikes speaks about this in some depth, after interviewing a pair of street market women from Cape Verde. One of the women has observed this cultural situation: "Above, she also talks about being scandalized by the presence of others who are deeply impoverished and disconnected from their families. Here, she seems to be feeling the weight of the neo-liberal meaning of self-accountability.\textsuperscript{19}\) Fikes’ interviewee here seems to be sensitive to the presence of families who remain in the homeland and have trouble providing, yet receive no help from their ancestors who have migrated supposedly to attain a better life for themselves and for their families. With the cultural distance growing between Cape Verlean nationals in other countries and their families at home, the remittances have slowly begun to become a less prevalent part of the Cape Verlean economy. This cultural disconnect

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\textsuperscript{19} ibid.
was the first factor which would begin to render migration and remittance obsolete as a form of capital gain.

In addition to this disconnect between emigrants and their relatives back home on Cape Verde, some citizens began to become more and more disenchanted with the “emigrant dream.” The disconnect between emigrants in the western countries, along with dark stories of migration from places like Portugal caused many Cape Verdians to begin viewing emigration and the better life it leads to as more of a dream than a reality. The idea of the better life, which is promised, in contrast to the barren landscape at home, had become less tangible to those who remained in Cape Verde. Although the migration culture was still part of the Cape Verdean culture at large, but people became less and less enthused by the opportunities it seemed to offer.

In addition, the 1990s began to see emigrants return from abroad once they had reached retirement age. Those who came home with limited success seemed to solidify the newfound skepticism about the migration culture, which had kept the country afloat for so many years. Even those who came home with success were treated with respect, but also with some level of resentment, reinforcing the cultural disconnect between those who stayed on the island and those who had taken part in either forced or voluntary migrations: “This group included the successful returnees par excellence, in that many have earned pension rights and very clearly enjoy the fruits of hard work abroad. These migrants are both admired and resented. There is a certain ambiguous tension in the relation between the stayers and the successful returnees.”

While one would assume these returnees would be good role models, they are often viewed as arrogant and out of touch with Cape Verdean culture. Many times, those who were returning enjoyed a much higher standard of living than those who never left the country, and this created a space

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between the two groups. This distance between those who stayed on the island and those who are returning from emigration reinforced the skepticism regarding the practice of migration as a viable economic option.

**Reduced Migration: Stricter Policies in Target Countries**

For the last two decades, policy has combined with cultural issues to enforce a decrease in emigration to countries in Europe as well as the US. In addition to the cultural changes, which began to choke off the supply of foreign remittances, stricter immigration policies in destination countries exacerbated the negative effect on the economy. While the cultural disconnect between emigrants and those at home negatively affected the reliability of foreign remittances, these changes in policy made emigration difficult, greatly reducing the available supply of remittances: “The weight of this economic crisis is intensified by heightened immigration restrictions in the United States and in the EU; such restrictions limit locals’ historic access to rejuvenating sources of capital.” With the increased difficulty of emigration to these nations, the source of the foreign capital from remittances began to dry up.

The change in the general dynamic of Cape Verde’s economy directly affected the small local markets. While stricter policies resulted in increased human labor capital on the islands, the lack of incoming remittances dried up the flow of capital, which for so long had sustained the local markets. Combined with deregulation, which exported the labor to more affluent, enterprising nations, this decrease in incoming remittances served to contribute to a lower standard of living for Cape Verde’s poor and to much higher levels of unemployment. The new, increased levels of unemployment were the result of a drastic decrease in emigration, and an increase in those returning to Cape Verde to retire.

Although many of the people returning to Cape Verde during the last two decades have been retired and relatively well off financially, this is not indicative of the economic struggle which has defined Cape Verde’s need to become less dependent on foreign remittances. The implementation of stricter immigration policies in destination countries did not only prevent new emigrants from traveling to these countries. In fact, the more problematic aspect of these policies was the number of Cape Verdeans who were returning after being deported from whichever country they had emigrated to. These returnees were not as financially well off as those of retirement age, and a lack of available work in Cape Verde essentially forced these returnees to become part of the growing unemployment problem on the islands. While stricter policies may have been socially and economically advisable for target countries across Europe, as well as the United States, the implementation of these policies was harmful to the economic stability of Cape Verde.

**Remittances and the Economy**

In 2011, the World Bank published that remittances accounted for 9% of the GDP in Cape Verde in 2009.\(^22\) This placed the country third in the world for top remittance receiving countries as a percentage of GDP. The following reflects the overall trend of remittances since 2003.

The decline in 2009 onward was a result of the global economic crisis from 2007-2008. This emphasizes the vulnerability of relying on remittances. Furthermore, these numbers underestimate the actual amount of remittances due to the informality of their nature. The government cannot accurately track all channels of remittances. An article in the Africa Review found, “For example, cash is sent through a friend who is visiting on holiday. If we add all that in, the diaspora remittances would be bigger by a factor or three or four times.” Meaning up to 40% of Cape Verde's GDP relies on money that it essentially has no control over.

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23 ibid.

Chapter 3
Reducing the Need for Foreign Aid: Gaining Self-Sustainability

In order to continue growth and transcend their status as an economically marginalized country, Cape Verdeans must continue to pursue more creative ways to reduce their reliability on foreign aid. Although Cape Verde has graduated from the bottom rung of economic success, its continued dependence on aid from more developed nations has perpetuated its status as a “needy” country. Therefore, reducing its dependence on foreign aid will be one of the indicators that Cape Verde has taken the right step toward self-sustainability. Critical to this change will be government and policy decisions. The government must first focus on efficiency, increasing the efficiency with which Cape Verde uses the natural resources that it does have, as well as capitalizing on intangible resources such as weather and location. In addition, the government must find ways to cut the costs of sustaining the infrastructure, thus freeing up more of the country’s budget to make up for its lack of natural resource capital. By doing so, the government will increase the usefulness of each dollar it expends in the economy, reducing what is now wasted spending. In addition, Cape Verde must enhance its relationship to ECOWAS (Economic Community of West African States), in a way that allows trade to become a reality, not only among the other ECOWAS nations, but also with the rest of the world. Stimulating trade and creating good trade relations with other countries will be integral to Cape Verde’s economic success, as its population demands many goods which the country does not have the ability to produce itself. Once these measures are taken, the last step in Cape Verde’s path to economic self-sustainability will be to reduce the donated foreign aid that comes from European countries as well as the
United States. Although this will reduce the capital which they receive by definition, this move would optimally be made once the infrastructure in Cape Verde is much more solid. Once it is, the country will have less of a social burden to carry, and therefore will be less bound to these nations by the need for charity. It can then take new approaches to bringing capital in, such as tourism. By reducing the amount of aid needed from these countries, and establishing a relationship built more on equality, Cape Verde will be able to stimulate trade with these “superpower” nations, allowing them more access to natural resources internationally.

**Self-Sustainability and Government Policy**

Although the government of Cape Verde has proved itself to be efficient in terms of bringing economic growth to Cape Verde, their job has not been completed. According to the World Bank, Cape Verde has experienced an average GDP growth rate of 5% for the last twenty years. In some of these years, growth spiked near 12%, indicating a growth trend for the islands. Despite Cape Verde’s emergence in the past two decades, it has still not become a country that is economically viable in the global trade. In seeking economic independence, the Cape Verdean government may first consider how policy changes on spending can maximize every dollar that is spent on infrastructure. While the idea is to reduce foreign aid, Cape Verde would be well served to capitalize on the steady flow of foreign aid they receive now and put it towards solidifying the infrastructure that has already begun to be put into place. By taking proactive measures with the foreign aid they receive, rather than reactive measures that only attempt to accommodate the current social circumstances, Cape Verde can hope to create an infrastructure that will reduce the prevalence of these social ills.

As of now, Cape Verde spends about 15% of its GDP on infrastructure, intending to use steady, consistent spending to create the foundation that will improve the quality of life on the islands. In order to promote social and essentially steady economic growth,
Cape Verde must create an infrastructure which not only focuses on full employment, but also on the medical and educational necessities which provide a society with social potential. Although progress has been relatively slow throughout this process, some subtle but critical improvements have been made. Modernization has begun its work in Cape Verde, and road density is relatively high. At this time around three-quarters of the national road network is paved to some degree. Almost all of the nine inhabited islands have port and airport facilities to facilitate travel. As for individual amenities, it is now the case in Cape Verde that about 7 out of every 10 people have some form of utility water. While these measures of social growth call for dedicated spending from the government, social improvements such as these will serve to modernize Cape Verde, modifying the way it is viewed by the world. In seeking economic independence, Cape Verde must first prove that it is capable of providing a decent quality of life for its people.

In addition to these basic structural improvements, Cape Verde must make other social improvements, namely in the fields of health and education. The health issue has long been problematic for Cape Verde. This is due to the fact that, as an island country, its islands are many times used as ports of call for ships from many parts of the world, which carry various diseases:

-European and American ships often called for salt and hides, and in the days of sail the archipelago was an important provisioning point for the Atlantic trade. From the mid-nineteenth century until well into the twentieth, the islands were used as coaling stations for steamships. Hence, the European minority and the larger African and Afro-Portuguese portions of the population were vulnerable to diseases imported by ships.\textsuperscript{25}

Although the diseases from these ships were hugely problematic for citizens of the islands, the islands’ usefulness as a shipping port was always one of its main sources of

commerce and interaction with the world. Therefore, it has been important, historically, for Cape Verde to find new and imaginative ways to deal with the problem of diseases from incoming ships. Although it is crucial for Cape Verde to keep engaging in this type of commerce, it is also equally important that they ensure the health and safety of the Cape Verdean citizens.

Additionally, Cape Verde must focus heavily on education, as educating its young citizens will allow their usefulness to extend from simply laboring. While Cape Verde is undergoing the modernization process, it will be important for them to modernize not only their infrastructure, but also the general level of knowledge at which their society operates. Rather than being satisfied as a community of laborers, it is important for Cape Verde and its citizens to reach for higher levels of education. By doing so, they will first of all be able to make vast improvements on their own islands. By having more doctors, lawyers, and other highly education professionals from the local population, the infrastructure will begin to come together of its own accord. In addition, educated workers will be much more eligible to emigrate under the stricter modern policies than just a basic laborer will. Almost any target country will be happy to take a doctor or a lawyer, much more willing to do so than to take in a construction worker, for example. Therefore, higher levels of education will serve to modernize the society, as well as making up for some of the unemployment problems that have plagued Cape Verde for the last few decades.

All of these measures of self-sustainability are government measures, controlled by policy and spending decisions. Therefore, it is incumbent upon the government of Cape Verde to enforce creative policies that will allow them to begin to reduce their need for foreign aid. By modernizing the infrastructure, and modernizing the society which uses it, the islands will eventually be able to operate on the same level, socially, as more established nations like the United States. In other words, sufficient medical and educational infrastructures are a potential reality for Cape Verde, if economic and social
progress are both made priority by its government. Although this takes time, a dedicated effort by the government and the people combined can achieve it, just as it has been achieved in other countries in Europe and the West.

Although the ultimate goal is to reduce dependability on foreign aid, Cape Verde must be smart about how they begin that reduction process. As of now, while their infrastructure is still relatively new and really still in the process of being created, the islands should take advantage of all of the foreign aid that they can get. In the coming years, as the need for new roads, ports, irrigation canals, and power sources are met, spending on infrastructure will reduce. Once this spending begins to reduce, the Cape Verdean need for foreign aid will reduce, and therefore their dependency on it will react likewise. These improvements in infrastructure not only promote economic growth directly, but when these needs are ultimately met, it will free up money for Cape Verde to invest elsewhere. In addition, once these basic needs are met, this will allow Cape Verde to begin reducing the foreign aid it receives, therefore beginning the move toward economic independence.

Reducing the Need for Charity: The United States and Europe

As Cape Verde has improved itself and is intent on becoming more of a developed nation in the world scheme, established countries like the US and some European countries have displayed a willingness to provide foreign aid to it in the form of grants and loans:

Like many other African countries, Cape Verde receives a substantial amount of aid from various regions of the world. However, it receives a majority of its aid from the United States and Europe. While there is currently no USAID program in Cape Verde, the country has received aid from an experimental US program called the Millennium Challenge Corporation where they most recently received $66 million after previously receiving $110 million. The European Commission also has a program in Cape Verde in which they gave the country 51 million Euros
Much of the aid that Cape Verde receives from the US and Europe is donated grant money, given to them to help deal with or solve a specific socioeconomic problem that the country faces. These funds are very helpful to Cape Verde in the short run, but in the long run they must learn how to be socially and economically viable as a country without this foreign aid. Without doing so, Cape Verde will remain pigeon-holed in the same level they have been at for centuries, particularly in the context of how they interact with more established countries on a global level.

The most important thing to remember when considering Cape Verde’s relationship to this form of foreign aid is that the country does not want to become economically dependent on other countries; in fact, the idea here is to move away from the old dependence to a new form of economic agency. Many times, accepting aid from other countries comes with another agenda, one that the donating country imposes on the country to whom the aid is going. In this way, accepting aid from some countries can do more harm than good, since it allows the country that is giving the aid to adopt a paternalistic stance in regards to the country that is receiving it. This often means that developed countries like the United States have the ability to shift the agenda for countries like Cape Verde to fit their global plan, or use Cape Verde in a way that most benefits them. Although it is important for countries to work together, to have one country in debt to another, and therefore subservient to it, does not promote the kind of sovereignty for nations that the world is premised upon now.

In addition to the giving of aid putting the giving country in control, many times too much aid to a country can reduce productivity for that country. While there are different forms of foreign aid, the ones that seem more correlated to growth are those that stimulate new and progressive economic methods, rather than aid designed to ameliorate

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for an existing social issue. While the former is crucial in enhancing the growth of a developing nation, the latter seems to be more of a hindrance to long run economic growth. There are two main factors that contribute to this inverse relationship between foreign aid and productivity. The first and foremost is the psychological effect which excessive foreign aid can have on people in the receiving country. Although they will appreciate the help where it is needed, at some point they will begin to feel as though they are not capable of running their country without foreign aid. Not only will they become economically dependent on it, but they will become psychologically dependent upon it as well. The second factor is the simple fact that when people receive too much help, they begin taking less responsibility for the things they need to do themselves.

When a country’s government just continues taking excessive amounts of aid, to the point where their country is economically dependent on another country, many of the people there may take that as a sign that they do not need to work as hard for prosperity. Although foreign aid is definitely a positive thing, excessive foreign aid can have negative effects on the receiving country.

Although it is important psychologically for Cape Verde to not become dependent on aid, it is also important for the countries offering the aid to not have to worry about Cape Verde becoming dependent on their help, as this may change the relationship between the countries and the country’s willingness to give aid in the first place. As the need for aid is at its highest, and countries are donating large amounts to Cape Verde in hopes of building the foundation for its infrastructure, these concerns are particularly relevant: “Aid donors worry that such high levels of aid may signify, or induce aid dependence, rather than lay the basis for self-reliant development as aid is intended to.”

In essence, giving foreign aid is designed to help a country get on its feet, so to speak,

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and allow it to build some level of economic independence behind the structural spending that was done based on the aid received. In some countries, however, needs get so dire, and the amount of aid-donated gets so high, that these countries can develop a dependency on the foreign aid. This can come to the point where the country will no longer be able to survive if the flow of foreign aid is cut off. It is important for the US and European countries to ensure that this doesn’t happen with Cape Verde. By keeping the aid given to a minimum, and helping Cape Verde build its infrastructure and solve some of its social problems, these countries will be able to make sure that their aid giving will result in the ideal goal; Cape Verde’s eventual economic independence as a capable nation.

ECOWAS

Rather than relying on foreign aid alone, Cape Verde has taken measures to stimulate their trade relationships with proximal countries, as indicated by their participation in ECOWAS (Economic Community of West African States). ECOWAS is a group of African countries “designed to implement policies, pursue a number of programmes and carry out development projects in Member States. Such projects include intra-community road construction and telecommunications; and agricultural, energy and water resources development.” ECOWAS is designed to help these West African countries to build up infrastructure and learn how to create economic sustainability with the decided lack of natural resources, which is the experience of all of these countries.

This type of interaction with the world is going to be much more helpful in the long run than the monetary foreign aid which is provided by the United States and Europe. Although the monetary aid will help Cape Verde to get an infrastructure in place,

the type of aid received by virtue of being in ECOWAS will build the long-term budgeting and economic skills which will allow Cape Verde to prosper once they attain economic independence. Natural resource development, in particular, is one of things with which ECOWAS can helps its member countries. For a country like Cape Verde, this is particularly important, as the lack of natural resources seems to be the main issue that has affected its level of development.

Although Cape Verde is part of ECOWAS, it has not been taking enough advantage of its membership. The main idea of putting ECOWAS together was to aid countries, but also to facilitate trade between these countries:

Towards that goal, the members called for the progressive liberalisation of trade by reducing tariffs on imports of goods manufactured within the community. One of the principal instruments employed was a 'regional cooperation tax' (TCR) applied on a product-by-product basis following government approval of manufactures qualifying for preferential treatment.29

By reducing tariffs on imports, ECOWAS hoped to stimulate trade between its member countries, allowing for easy mobility of resources, both natural and otherwise, to countries in which they were needed. However, Cape Verde has not been making as much use of this trade ability as they can. By maximizing trade with ECOWAS nations, Cape Verde will be able to gather some of the resources it does not have for itself, enabling further economic growth.

Further participation in ECOWAS will also have a positive effect on the way Cape Verde interacts with the rest of the world. As they are now a country that is dependent on foreign aid, it is important for them to shift the way they are perceived in the world from a country that needs consistent aid to a country that consistently stimulates trade and commerce in their region. Once Cape Verde is able to create that reputation for itself, it will stimulate its own economy by doing so, and also change the way it is viewed by the more developed ones. By changing these relationships, Cape

29 ibid.

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Verde can establish itself as a viable and sustainable economy, with progressive and attainable social goals.
Chapter 4
Tourism in Cape Verde as an Island Economy

Due to its lack of natural resources and lack of marketable capital, Cape Verde has historically been dependent on foreign capital such as remittances and foreign aid to maintain the stability of its economy. As time has passed, and the gap between developing countries and developed countries began to expand, Cape Verde began looking for new ways to interact with the world economy, ways that would leave it less dependent on the philanthropy of other nations. The complicated aspect of this is that Cape Verde must continue to keep money coming into the economy, yet a lack of marketable goods makes it difficult for them to do so. However, tourism is a viable option for Cape Verde to earn money. Because it is a service, not a good, it is something that Cape Verde can cultivate economically without having to worry about access, or climate issues. In addition, Cape Verde’s climate and location are both positives for a potential tourism industry. In essence, by engaging in a full-scale tourism industry, Cape Verde can bring foreign capital into their economy. However, because they are offering a service for that foreign capital, they will not be considered dependent on those countries for economic stability.

Tourism in Island States

For many island states around the globe, tourism has been one of the main services in which they partake to gain and sustain economic stability. Due to the fact that it is a service based industry, rather than a goods based one, these island countries can engage heavily in the industry without having unrestricted access to natural or created
resources. It is an industry that can be built anywhere. The only necessities a country must have to engage successfully in the tourism industry are a good location, good weather, and good cultural awareness that will allow the country to offer an experience that is particular to their country. By refining their tourism experience, a country can ensure that no tourist can get the same experience by going to different country, ensuring them a customer base which will be built on the merits of their specific experience.

For island states, particularly in the Caribbean, tourism has long been a sustainable source of income. As of recently, it has become one of the largest sources of income for these kinds of island states: “Although a relatively new phenomenon, tourism has become one of the world’s largest industries in recent years. In 2005, international tourism arrivals reached over 800 million worldwide. In macroeconomic terms, 9 percent of global employment and ten percent of global economic activity is tourism related.”

Although ten percent of global economic activity may not sound like a lot, when one considers how few countries there are which are supplying the tourism demand, one can see how heavily concentrated tourism is in these areas. For countries like the islands in the Caribbean, the economic contribution of tourism is undoubtedly much more noticeable.

When viewed through an economic lens, it is not difficult to understand why countries like those in the Caribbean would engage in the tourism industry. It is slightly less obvious, however, why it is such a popular service, which people in financial comfort choose to spend their money on. In short, it is the human need for mobility that has always been viewed in different contexts. For a long time, this need was satisfied by exploring and expanding the world which humans were recorded to live in. After that, it was migration from home countries to new countries that allowed people to have the

mobility they craved. In the present moment, it is tourism that satisfies that urge that people have to be mobile and see new things. For this reason, tourism is an industry that will be popular for the foreseeable future.

In addition, as life in developed countries has become less and less labor intensive, and luxury has become more of a primary concern, people have more money and more time with which to take vacations: “A number of factors have contributed to the development and rapid growth of the modern Caribbean tourism industry. First, the post-World War II era witnessed a significant increase in available leisure time, particularly in the countries that comprise the target market for Caribbean vacation product.”31 As life in countries like the United States and Europe has become more focused on living comfortably and with luxuries, people’s tendency to vacations and visit new places has increased as well. Therefore, as economic growth continues to happen in these countries, presumably the number of people engaging in tourism will rise, providing more and more customers for the market to supply.

Tourism is not a goods-based market, and therefore is comprised mainly by several services that are all relevant to a marketable tourism infrastructure. Although tourism already supplies a decent amount of capital to Cape Verde, this can be increased by creating the kind of infrastructure that can carry a tourism market which will serve customers from around the world. The crucial part of tourism is the capital it flows into the markets which are relevant to it, such as food, entertainment, and hotel markets. Although tourism is a large idea, these markets can lie in the hands of small, local business owners, allowing them to become integral in the tourism infrastructure itself.

**Negative Effects of Tourism**

Although tourism is a great idea for island countries such as Cape Verde and can provide them with economic stability in the long run, it is not yet a perfect system. As

31 ibid.
with anything, there are setbacks that make many countries hesitant to engage in the tourism industry. These negative aspects of the industry can take several shapes and forms, and countries that offer tourism as a service must understand that they will have to deal with these problems. First and foremost, the steady influx of people, particularly in island countries, compromises the environment of these places. Due to the fact that the islands are relatively small, and they become packed with people due to tourism, the environment takes a hit and never really gets the chance to recover. In addition, the cultural disconnect between Cape Verdeans and tourists causes an underlying level of friction which must be dealt with mostly by the locals, and less intensely by those who are visiting. Furthermore, success in the tourism industry assumes that those who live in other countries are financially well off and also have sufficient tourist demand. The last, but certainly not least issue, is that making tourism a leading source of income requires some creative budgeting for the country. Due to the fact that tourism is mainly a seasonal activity, the country must learn how to take the income it makes during prime season and spread it out over spending for the entire year.

One of the first problems with engaging in the tourism industry is that, on some level, it sets a country up to be somewhat dependent on the economic success of other countries. Tourism is a service based industry that assumes that in other countries around the world, people are making money, and will want to spend that money to travel and spend time in beautiful places. In modern times, this is an assumption that almost always seems to come true. However, if there were to be another worldwide depression, like the one that occurred in the 1920s, the countries that depended on tourism for economic stability would be the first to feel the hit. As people in every country started to see less money coming, they would be less likely to spend money on luxuries, such as vacations, and the influx of capital to the tourism states would slowly but surely begin to dry up. This dependence on the success of foreign economies is surely the most fundamental negative aspect of tourism as an industry.
Another problem that arises in countries that engage in the tourism industry is the damage that comes to the environment. Because many of these countries, particularly the island countries, are relatively small, any large demand for tourism in their country is going to create a situation where the country is relatively packed. When a place gets packed with people, generally the environment takes a negative impact. Especially in the countries that engage in tourism, which are generally very beautiful and scenic countries, the environment is delicate and is not treated with care by people who are visiting, rather than live there full time. Therefore, the countries must find a balance between gaining enough tourists to carry the economy while also keeping the tourism industry from ruining the environment, which gives them the opportunity to engage in tourism in the first place.

Despite the fact that many of these countries have a mild climate year round, tourism still seems to manifest as a mainly seasonal activity. The main reason for this might be the fact that people choose to take vacations during the time when the climate in their home country is not so nice, and they wish to get away to a nicer area: “For many of the Caribbean destinations, tourism is a seasonal phenomenon (the peak tourism period generally runs from December until April) and does not provide a steady stream of income throughout the year. Moreover, as a globalized industry, tourism is subject to the vagaries of shifting international tastes and fads.”32 Due to the fact that tourism is a luxury industry, those who create the supply for the market must learn to work within the dynamics of a market, which is controlled by the financial well being and leisure time of those with economic stability. The interesting and unique demands of the market ensure that those supplying will never be able to settle comfortably into a year round service industry, and instead must find creative ways to cope with the seasonal nature of the industry.

The last, and likely most harmful aspect of tourism is the cultural disconnect

32 ibid.
between Cape Verdeans and the tourists. At times, this disconnect can be almost palpable, and it is damaging in many subtle ways:

The Caribbean tourism industry also differs from the typical paradigm of natural resource exploitation and commoditization in the degree to which it directly affects local cultural and social conditions. The constant influx of foreign tourists has the potential to disrupt local social norms and cultural institutions and traditions. Such sociocultural dislocation not only tends to breed animosity between the guest and host, it also threatens to cultivate divisions within the local Caribbean community.\footnote{ibid.}

The immediate result of this cultural disconnect is the friction between the tourists and Cape Verdeans, and how this manifests to breed an uncomfortable air between the two groups. While part of the tourism charm is supposed to be the ability to interact with the locals, many times Cape Verdeans do not wish to interact with the tourists because they view them as culturally incompetent or insensitive. In addition, this disconnect can cause problems between Cape Verdeans themselves, as some make money from tourism and would like it to continue and some of the more traditional locals would like it to stop. Therefore, the tourism culture as a whole is problematic to the cultural imperatives of the local communities.

**Tourism for Cape Verde**

As a tourist attraction, Cape Verde is still in the up and coming stage. However, it has shown promise even still in its infant stage. The following figure shows the rapid increase of expenditures made by foreigners in Cape Verde.
In only ten years, Cape Verde saw an increase from no income generated by tourism to almost 20 billion escudos, or 1/5 of the economy. The next figure shows the trend of selected sources of income in Cape Verde over eight years.

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The tourism sector surpassed migrant remittances for the first time in 2006. Only a year later, income generated from tourism more than doubled the value of remittances. This number could still increase with the proper reforms.

Due to the fact that tourism is a relatively new economic idea for the islands, the industry hasn’t been fully developed there yet. In order to fully take part in the tourism industry, like other islands in the Caribbean, Cape Verde must build an infrastructure for tourism that is capable of handling the kind of traffic that will support its economy. Also, Cape Verde must make a plan for how they will take their existing amount of tourism and begin increasing it until they can compete globally with the tourism leaders of the world.

As of now, Cape Verde only receives tourists from limited places around the world. For this reason, its risk and level of dependence on these governments is relatively high. Because it depends on only a certain selection of countries to supply the demand, if these countries are not doing well in any fiscal year, that will also show up in Cape

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Carling, Jorgen ‘Policy Challenges Facing Cape Verde in the Areas of Migration and Diaspora Contributions to Development’. 2008.12
Verde’s economy. However, Cape Verde must use the little tourism it has now to support building an infrastructure that will put them as one of the top tourism destinations in the global scene. By taking the money they are making now from tourism, and recycling it back into the tourism business, Cape Verde could feasibly become one of the world leaders in tourism activities.

The infrastructure, which must be put in place, is one that requires the goods and services necessary to have a successful tourism business in one’s country. Cape Verde will need to build hotels in all price ranges, from decent and affordable, to lavish and expensive. They will need to refine their food options for those who are visiting. They will want to maintain the culture and the flavor of their food, as that will be one of the draws for tourists, but they will want to produce it well enough and produce enough of it to support the tourism business. Equally important will be the entertainment they choose to offer for tourists who are visiting the islands. Although the location, weather, and beach will be a large draw for tourists as it is, they will need to offer different kinds of entertainment. For one, this will motivate people to visit Cape Verde in the first place. In addition, having different forms of entertainment will motivate those who have already visited to come back. Much of this entertainment already exists for Cape Verde, in the form of sightseeing. However, these sightseeing trips can be enhanced in order to make the attraction of the trip not only the sights to see, but also the charm of the trip itself. In addition, Cape Verde should offer cultural entertainment in the form of live music. If one can come back twice and have two different experiences, both of which were enjoyable, Cape Verde will likely be able to ensure that it will have repeat customers coming back.

The location and climate of Cape Verde are prime for tourism. It is a warm, arid climate, which is perfect for the beach. Tourists love the beach, and much of the point of tourism is to get to a nice temperate climate and spend some time in the sun. Cape Verde can provide plenty of that style of entertainment. In addition, its location in the Eastern Atlantic is prime for the tourism industry. Although there are other, more popular islands
in the Caribbean, there is none in that particular corner of the world. Therefore, if Cape Verde can begin getting a tourism industry that supplies demand worldwide; they will be able to corner the market in their area of the world.
Chapter 5

Returning Economic Viability to Local Markets

Although Cape Verde is still very much in the growing process, its recent growth has manifested to bring it up to a new level of development in the world scheme. Tourism is the new industry that has brought Cape Verde to this level of development, and will continue to help it grow in the future. Cape Verde has capitalized on its exotic location by boosting tourism. Many new hotels have been built, and the largest hotel in all of West Africa is located in Cape Verde. A combination of beautiful beaches, relatively safe health conditions, and relatively low crime rate has all played a role in increasing tourism to the islands. Increased Cape Verdelan presence in other countries due to emigration has also introduced people to the islands, as they weren’t aware of it before.

Macroeconomic Growth vs. Local Poverty

However, tourism alone is not the answer to Cape Verde’s economic problems. Cape Verde must also contend with the issues of deregulation and the fact that foreign labor has come and taken many of the jobs away from the Cape Verdelan people. In macroeconomic terms, Cape Verde’s recent growth is quite impressive. The tiny islands ranked 190th in the world in terms of GDP (purchasing power parity) with $2.078 billion in 2011. However, this has increased about 100 million every year since 2009, which shows some economic growth. Its GDP growth rate in 2011 was 5%, which placed it 68th in the world. Services account for about ¾ of the GDP with industry following at 15.7%

37 ibid.
and agriculture at 8.4%. Of the 8.4%, fishing only accounts for 1.5%. Services include commerce, transport, tourism, and public services. Industries include food and beverages, fish processing, shoes and garments, salt mining, and ship repair. Its agricultural products are bananas, corn, beans, sweet potatoes, sugarcane, coffee, peanuts, and fish. However Cape Verde became a member of the WTO in July 2008. Becoming a member of the WTO will greatly benefit Cape Verde in the future and will change the way it is viewed by the rest of the world, simply by virtue of its participation in an organization which has as members countries which are already developed and immensely successful in an economic context.

However, on a local scale, this growth has not been as beneficial as it may seem. Unemployment is a problem in Cape Verde; it has a 21% unemployment rate. There are simply not enough jobs available to sustain the population, in combination with plethora of foreign laborers that have been brought into the islands. Thirty percent of the country lives below the poverty line as a result of this perpetual and persistent unemployment. This will be the aspect of the Cape Verdean economy, which, if gone unchecked, will serve to undo much of the growth that has happened recently. Unemployment is a waste of labor capital and also affects feelings of self-worth. Therefore, it will serve to make the citizens feel as though they are not important to the economic picture in Cape Verde. This will give the citizens a feeling of disenfranchisement, and promote undesirable social consequences such as violence.

These kinds of negative social consequences are precisely what Cape Verde must avoid if it hopes to move up another level of economic stability in the world picture. For most nations, economic progress is equal to social progress, and Cape Verde must partake in that pattern of growth in order to show that it is both interested and motivated to make the next step to becoming an economically viable country in the world scheme.

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38 ibid.
39 ibid.
Negative social consequences of unemployment, such as violence, will both impede their growth in the tourism industry as well as heighten the cultural issues that have long impeded their economic and social growth.

The Effects of Privatization on Local Markets

As Cape Verde has begun to grow economically in the world picture, foreign firms and corporations have begun to locate there. As has happened with more developed countries, much of the jobs in its economy has been given to foreign laborers who work for foreign companies. For private companies, this is the ideal setup, as it allows prices to be cheaper as larger companies come in and offer the same products for a lower cost. However, this process of outsourcing labor is harmful to the internal economy of Cape Verde, as it drives up unemployment and takes capital out of circulation in the local markets.

Although Cape Verde’s economic domestic and international trade is good for its growth, the government is responsible for finding a balance that is not harmful to the local economy. Without the large corporations backing Cape Verdeans, as they back the foreign workers, locals on the islands find it difficult to compete with the foreign merchants’ prices: “By the late 1990s, after democracy in 1991, the effects of deregulation were strongly felt by vendors accustomed to the cash economy. The Chinese state dispatched working-poor Chinese migrants to Cape Verde and set them up with discounted retail stores.”

Because the Chinese stores can offer the same goods at much lower prices, the local consumers are likely to go to these stores, making it very difficult for the local shop owners to maintain their business. Without the ability to maintain their businesses, they go out of business and become less able to consume as much in the local market, and the cycle continues. Eventually, the entire local market, both consumer and

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supplier, becomes compromised, and the majority of the money made in commerce on the islands winds up leaving the local economy and going to other nations by product of the foreign laborers and foreign companies. As these foreign merchants make capital on the islands, they either send this money back home in the form of remittances or in other ways invest the money outside of Cape Verde, removing this money from the developing economy of the country.

The damage from these predatory economic measures is fiscal, but it also shows up in the mentality of Cape Verdeans. Because foreign migrants are coming in and taking over the majority of the business, it is the mindset of many Cape Verdeans that trying to start small businesses is not possible, or will not be economically viable. Although remittance money may go in part back into the tourism infrastructure, in the form of restaurants and hotels, many of these businesses are even owned by foreigners. Without the ability to compete in these markets, Cape Verdeans begin to doubt the viability of starting a small business. Therefore, they adopt a lazier attitude, and become complacent in not trying to reach more economically stable means of living. While doing fieldwork, I interviewed Patricia Neves, the former chief of events for a prominent hotel in Cape Verde. While interviewing Ms. Neves, who holds a bachelor’s degree in tourism, it became clear that this mindset has become relatively normal in Cape Verde, as the foreign presence in commerce becomes more prevalent. She speaks about the ways in which most of the businesses have been taken over by foreign companies, and how this has affected the ways that Cape Verdeans operate in the economy. She stated that foreign hotel directors can make up to four times more than Cape Verdean ones. She claimed this to be the reason she quit her job. It was demoralizing to work just as hard as a foreign hotel director and make nowhere near what they were making. This demoralization of the Cape Verdean worker has been one of the main contributors to unemployment on the islands.

Similarly to the United States, locals in Cape Verde observe a strange social
phenomenon; as the people become more politically enfranchised, they also become more economically invisible. Even as the government in Cape Verde works to liberalize the political way of thinking, and become socially comparable to more developed nations, they put in place economic measures which serve to marginalize the local Cape Verdiene worker:

In the early 2000s many [market women] began to report huge income losses since the onset of the state’s privatization activities. As market women are not recognized as a labor group at the legislative level, it is important to consider how they have come to politicize financial loss. Ironically, though they are economically disenfranchised, market women are politically included for the first time as voting (and thus “counted”) citizens of the democratic body.⁴¹

The irony here is that as “enfranchised” citizens, these market women should be a large force in the political scheme, integral in maintaining local jobs at home. Their new political visibility would ideally provide them with the political capital necessary to ensure the implementation of policies which maintain a standard of living for poor Cape Verdeans. However, the speed with which Cape Verde is experiencing macroeconomic growth has made it impossible for its people to keep up. Therefore, these market women, along with the rest of the local laborers, have experienced a huge drop in income as the markets have continued to be ran by private companies.

**Reducing Poverty on a Local Level**

In order to fix the levels of poverty that have been observed on a local level, Cape Verde must focus on how trade reduces poverty. Local trade has been shown to increase employment and decrease poverty. In contrast to the way that Cape Verde has been handling its economic issues, growth is not a passive, trickle-down strategy but instead an active, pull-up strategy. The government must take active measures to help Cape Verdeans become involved in the economic movement that the company is taking part in at large. Rather than allowing foreign merchants to become the prevalent motivators of

⁴¹ ibid.
commerce, it is important for the government to use their local labor capital to do many of the jobs necessary to bring their country up to the level of modernity that they are seeking. Government accelerated growth through policies such as building infrastructures such as roads and ports is sustainable and attracts foreign funds to increase capital formation and jobs. However, the government must make it their imperative to have Cape Verdeans doing the jobs, promising to circulate this invested capital back into the local economy. Poverty can also be improved by improving the access of the poor to growing incomes by making it easier for them to borrow to invest. This will decrease unemployment as more unemployed Cape Verdeans will not only start businesses, but will employ other Cape Verdeans in these businesses. Microcredit programs have been very successful in Cape Verde. Millennium Challenge Corporation gives very small loans to poor clients, which improve their ability to earn a living.

These small loans typically go to helping Cape Verdeans start small, local businesses that serve to stimulate commerce in the local markets. Due to the fact that most Cape Verdeans feel it is impossible to compete with foreign merchants, the innovation of new small businesses by locals have been much less prevalent since deregulation: “So, many just stopped selling altogether with the hope of rationing the little they had and then seeking some form of public assistance—a request that reinforces the idea of the poor as a community beyond the state’s modernizing agenda and hence justifies the presence of the new foreign entrepreneur.”  

Therefore, it is important for the government and the financial institutions to create incentives for Cape Verdeans to start small businesses. By making small loans at lower interest rates to citizens, in combination with severely limiting the amount of foreign commerce on the islands, the government and financial institutions will take a large step in reviving the local economy.

The allocation of resources and income has become a problem for Cape Verde in

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42 ibid.
poverty alleviation. Although Cape Verde has started to attract much more capital than it ever has, the incoming capital is going to foreign corporations and laborers, rather than to the local companies. Therefore, the wealthy in Cape Verde continue to become richer by making solid foreign investments, while the poor continue to stay poor by virtue of high levels of unemployment and poor circulation of capital in the local economy. As the wealth gap widens, the local poor, who comprise the majority of the population, begin to feel exploited and treated unfairly by the government. Ironically, as the poor experience universal political enfranchisement, they begin to feel more and more disenfranchised in practice due to the fact that the sociopolitical situation in Cape Verde seems to marginalize them more than ever.

**Bringing the Tourism Industry to the Cape Verdeans**

As tourism seems to be on the forefront of a new economic growth for Cape Verde, it is important that Cape Verdeans actively participate in the process of making tourism a viable economic option for the economic sector. More specifically, it is important for them to both own businesses and to provide the goods needed in the tourism industry. By making this a priority, the government can help ensure that their continued macroeconomic growth is mirrored by growth in the local economy on the islands. By making sure that these two forms of growth operate optimally, the government can ensure their continued integration into the world economy in a way that will contribute to the standard of living experienced by all people in Cape Verde.

The main service related to the tourism industry is the hotel service, which is necessary for the tourism sector. Without a good hotel infrastructure, Cape Verde will find it difficult to foster tourism as an economic option. Ironically, hotels are already some of the most successful businesses on the island. The fact is, however, that most of these hotels are owned by foreign entrepreneurs who make money on the islands and then take it out of the local economy. This is one service that needs to be returned to Cape Verdeans. Rather than having fancy foreign owned hotels, Cape Verde should promote
hotels that are smaller, more personal, and keep the feel of the islands. That way, locals will be able to manage them, employ more workers and stimulate more government revenue.

Another tourism related industry that needs to be returned to local entrepreneurs is the food business. Any country that engages heavily in tourism must offer good food options, as people like to eat tasty food when they vacation that is unlike their normal menu. There are two sides to this business, however. Producing the food is the first side, and then cooking and serving it is the other side. The production aspect should go to local fisherman and what local farmers there are. Currently about 82% of Cape Verde's food is imported. Although, Cape Verde cannot feasibly expand its agriculture sector much higher due to the physical attributes of the land, its fishing potential can still increase if fully exploited. This would decrease the amount of food imported. The food that cannot be produced domestically must be imported, of course, due to the country’s lack of natural resources. The restaurants, therefore, must promote the local cuisines alongside the foreign ones. These should all be small, locally owned businesses. By using local food producers, and if the government were to subsidize the importation of food for local entrepreneurs, these restaurants could be both of good quality and also be cost effective.

While this would leave tourists with a good place to stay and good food to be had, there is still the matter of entertainment. When people are on vacation, they like to experience new and exciting forms of entertainment. Cape Verdan culture will be the answer here. The islands should have bar-type settings that play Cape Verdan music and in which there is Cape Verdan dance. Cape Verdan artists and musicians should engage in performances that cater specifically to tourists. By doing these things, Cape Verde will make itself a more desirable destination while it creates more business opportunities for local entrepreneurs.

The final aspect of tourism that can be returned to the Cape Verdeans is the inter-island travel. As of now, inter-island travel is inefficient, cumbersome and relatively expensive. This makes it more difficult for tourists to visit all the islands in one visit. The answer to this is small, locally owned shuttle planes and ferries to transport tourists and locals back and forth between islands. This will create more job opportunities for the citizens and domestic capital for local investment. In addition, it will greatly increase the desirability of Cape Verde as a destination for tourism. While people can stay on one main island for their visit, they will be able to easily and efficiently visit the other islands to view the culture and the wildlife throughout Cape Verde. It is these little additions to the tourism infrastructure that will create jobs and enhance Cape Verde’s allure for tourism.
Chapter 6
Suggestions/Recommendations

Cape Verde’s need for foreign economic help has forced them to acclimate to the theory of development which is put forth by organizations like the World Bank and IMF. These organizations promote the idea of free market socioeconomic policies, with the belief that this is the best way to stimulate growth. Because Cape Verde would be unable to survive without the grants and loans which come from these organizations and the countries connected to them, they have been ultimately forced into adopting free market economic policies. Although this has been effective for Cape Verde on a macroeconomic scale, it does not seem as though Cape Verde is economically capable of fostering a free market economy.

It is important, therefore, for Cape Verde to come up with a solution of its own. Although these organizations have experience with economic growth, Cape Verde is only the second African country to graduate from Least Developed Nation status. In short, its situation is as close to unprecedented as possible. Therefore, these organizations may not be expert on how to grow the economy of a marginalized, resource poor country like Cape Verde. Knowing that, Cape Verde must go to these organizations and speak to them about how free market economics has worked for them on a macro scale, but how the effects of privatization have been adverse to the local economy. Perhaps, Cape Verde can come to an understanding with these organizations; one which will allow them to pursue economic success on terms that make more sense for it as a country. Perhaps free market economics will be the answer for Cape Verde once it has become established, but the free
market system in a vulnerable, developing country has left Cape Verdeans open to predatory economic measures.

Although Cape Verde has made tremendous strides in the last few decades, there is still much to do before it becomes a country that will be considered next to the more developed countries like the US. Much of this work is infrastructure building, as Cape Verde begins to modernize both economically and socially. In addition, the country must look to tourism in order to fully realize the potential of their country to draw tourists. Once the tourism industry is realized as much as it could be, the services relevant to this industry should be returned to local entrepreneurs. For this suggestion section, I would like to transcribe an interview I took with Patricia Neves. She speaks strongly on the things that need to be done to bring Cape Verde to the level where it would like to be socially.

Me: I understand you’ve been unemployed for about a year. May I ask why?

Patricia: I left my position as head of events at Hotel Porto Grande because I was being overworked and underpaid.

Me: Is that a common experience for Cape Verdean hotel workers?

Patricia: All hotels in Sao Vicente are owned by foreigners. The director of Hotel Porto Grande makes 400,000 escudos/$4700 a month. Any native Cape Verdean director might make a maximum of 90,000 escudos/$1066 a month for doing the same job. I was head of events and made 26,000 escudos/$307 a month. I got no vacations, no set time to work; I was on call 24/7, and worked 7 days a week. The highest paying position in the hotel apart from the owner/director is the head chief who makes 70,000 escudos/$829.

Me: What other kind of hotel jobs do Cape Verdeans do? How much do they make?

Patricia: Maids, housekeepers, and other small positions make 6000-10,000 escudos/$71-$118 a month. They work very long hours, and no one gets overtime pay.

Me: How do people react to the salary inequality? Do they complain?
**Patricia:** Of course people mention it. I’ve heard it discussed, and I constantly heard, “If you don’t like it, you can leave.” That kind of treatment can really mess with your mentality after a while.

**Me:** So how do they choose the people for these jobs? Qualifications?

**Patricia:** In less than one year, four different people worked the same position I did. The last person who held the title was fired without reason and replaced by the director’s friend.

**Me:** So, that explains why you’re unemployed now.

**Patricia:** After a while, it just begins to feel like you’re being exploited. Once I started feeling like that, I felt I would rather be unemployed. There are much more stable jobs in teaching, I plan on going back to school to get my Master’s in education.

**Me:** I see there is a problem with fair wages. Let’s switch topics. How does tourism play into the local economy?

**Patricia:** Tourism is the most lucrative on the islands of Sal and Boa Vista. Those islands have the most jobs, but the cost of living is high. People don’t make enough to live, and therefore turn to illegal endeavors like prostitution. Even people who went to college and have degrees and respectable jobs prostitute because they simply aren’t making enough. Rent alone can be 20,000 escudos/$236, and if you are only making 30,000/$355 a month, how can you pay the rest of your expenses?

**Me:** I see how that could be difficult. Do you have any suggestions to help these problems?

**Patricia:** Well, tourism in Cape Verde is too hotel-based. Foreign hotels, I mean. Citizens need to be involved more. Only hotels are making money, which translates to only foreign hotel owners/directors are making money. There should be more attractions outside of the hotel that people can visit. When I worked at the hotel, foreigners loved going to the fish market because it was something new to them. People appreciate new experiences. Sao Vicente, in particular, needs places where tourists can experience the culture and spend money. As of now, tourists in Sao Vicente stay in the hotel or go on hotel sponsored sightseeing trips. Instead, they should promote activities that teach the tourists the culture, like doing crafts or dancing. If the city holds more tourism based
public events, not only will the tourists enjoy it but also the locals can sell little crafts and things, helping to bring money back to us.

**Me:** Are there no public events like that now?

**Patricia:** The largest national event we have is Carnival, which lasts for a few days and everyone dresses up and has fun. But it is in February. How many tourists are coming here in February? Perhaps we should have another Carnival in the beginning of the summer, during peak tourism season. In addition, we have Festival, which is in August. This one is much more popular for tourists. The planes are PACKED leading up to Festival, and the ticket prices are ridiculously expensive because so many people go. This shows how effective summertime events can be during tourism season, but why do we wait until August to capitalize? There should be one of these each month perhaps, at least during tourism season.

**Me:** Sounds sensible to me. Any other suggestions for the people before we finish up?

**Patricia:** As far as the Cape Verden people are concerned, I would just say their mindset needs to change. Many people are too relaxed and therefore customer service is lacking. Also, store times aren’t convenient. Everything closes from 12 - 2:30 for lunch and most stores close around 6. Almost nothing is open on the weekends. People would rather relax than stay open and make money. This is not conducive to tourism, especially when you are hoping for the tourists to spend money.

For the most part, Patricia talked about the foreign hotel owners who were taking away the money, and the difference in wages for foreigners and locals. I suggest here that government intervenes, at least to the level of ensuring fair wages for everyone. By doing so, they will not only make sure that Cape Verdeans make fair wages, but also give Cape Verdeans more motivation to work knowing that they are going to make fair wages. Patricia also talked, at the end of the interview, about the people and their overly relaxed way of life, and how this affects the economy. I suggest that these moves by the government to ensure local economic growth will give people more motivation to work the kind of hours that is necessary to support a fully realized economy. While people are not making decent money, they are unmotivated to work. However, if wages were to be
made equal, those who are unmotivated to work now may be motivated in the opposite as money making potential becomes fully realized.
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