Cape Verde and the challenges of contemporary international politics
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Abstract
Contemporary international politics are characterized by a diversity of actors, ranging from the human person as the subject of international law, to international organizations, national states. In addition to these international subjects, which are based on a judicial-legal system, international politics are characterized by the existence of several international sectors, which are not subjects of international law, but their behavior can influence and shape contemporary international politics. We can list some examples such as mafia organizations, international terrorism and other emerging sectors. Given the characteristics of international politics described above shows that the national states, have to face enormous challenges, which concern not only its international profile, but also the fight against transnational organized crime. It is in this context that we seek in this article to discuss Cape Verde in international politics, namely the issue of its international position and issues of security and defense.

Keywords
International Politics, Cape Verde, security and defense challenges.
Introduction

The analysts and specialist in international relations are unanimous in presenting international relations as a game of power. In this game the winner is the player with greater economic, demographic, and natural resources, in addition to a strategic vision and (EBO, 2008, p. 86).

This article seeks to analyze Cape Verde in the current context of international politics characterized by globalization and inter-dependence and its constant quest to project itself onto the international arena. It draws upon several fields of knowledge, based on an cross disciplinary perspective, beginning with approaches to the history of international relations, theoretical conceptions of contemporary international politics, and also anthropology, sociology and economics. Building upon these analyses, we shall seek to identify which tools and mechanisms Cape Verde employs to project itself in the international arena and its impact they have in the country’s internal development. In order to conduct these discussion, this article is structured as follows: the first section of the article considers what the state “small state” of Cape Verde has done in order to position itself in the international arena. The second section debates the challenges and limits still faced by Cape Verde in its process of development.

The international arena is characterized by a diversity of subjects or actors (Deutsch, 1982: 68). States, international organizations and the human being are considered international subjects. All these actors rely upon an international-juridical personhood, in other words, they are the recipients of the norms and principles of International Law, they have a legal basis of existence (Gouveia, 2004: 407-541; Dupuy, 2006: 27-265; Cassese, 2005: 71-142).

However, there are organized transnational groups that do not count on a legal basis and automatically cannot be considered subjects of international law, despite the fact their actions and behaviors influence international politics (Castells, 1997: 260), as for example, organized transnational crime, international terrorism (Gray, 2004) and human trafficking networks. In all likeliness there will be an increase of new actors in international
relations, due to transnational flows of religious groups, mafia-like organizations (Castells, 2000: 2), among others, further fragmenting the international system (Huntington, 1999: 113) since these new sectors stand toe-to-toe and at times undermine the State in the international arena (Bertrand, 1999: 11-23). For authors inscribed in the realist tradition, as H. Bull, the multiplication of such “actors” in the international arena and in disputes and rivalries, lead to disarray in international politics akin to the State of Nature (Bull, 1977).

All international actors are permanently in search of garnering greater influence and projection in international politics, many times breaching norms of International Law and showing contempt for the principles of international morals and the ethics of international relations.

The existence of diverse wills and interests is the cause of countless crises and international conflicts. History shows that not always the best political practices, whether domestic or foreign, are based on ethics or a morality of international relations, much less respect of the most fundamental elements of International Public Law. Niccolo Machiavelli states in The Prince that any action required to safeguard power is legitimates: “Pelo que é necessário a um principe, se quiser manter, estar preparado para o poder não ser bom, e para usar ou não a bondade conforme a necessidade.” (Machiavelli, 2002: 75).

According to the Florentine, laws, ethics and moral are to be followed, but other means can be legitimately employed when necessary:

You must know there are two ways of contesting, the one by the law, the other by force; the first method is proper to men, the second to beasts; but because the first is frequently not sufficient, it is necessary to have recourse to the second. Therefore it is necessary for a prince to understand how to avail himself of the beast and the man. (Machiavelli, 2002: 84).

This stance, typical of the political thought of Machiavelli, attracted a sizable following in foreign affairs. For example, Richelieu, who employed the term raison d’état as a substitute for the medieval concept of universal and moral values as an operation principle of French politics (Kissinger, 1996: 47):

When the war ended in 1648, Central Europe was devastated and German had lost a third of its population. In the crucible of this terrible conflict, Cardinal Richelieu grafted the principle of raison d’état onto French foreign policy, a principle that the other European countries adopted in the century that followed (Kissinger, 1996: 48).

In the course of the twentieth century, these practices were continued (Arendt, 1985: 4-5), albeit in asymmetrical fashion as many states adopted them in their foreign policies, motivated above all by the expansion of ideologies and power leading to hostility among nations.

The question of the expansion of ideology and power in international politics of the twentieth century acquired an asymmetrical character, and the principle of realpolitik in international politics ultimately wreaked havoc (Moreira, 1996: 220). Stalin, for example, conducted Soviet foreign policy based on the strategy of the expansion of communist ideology and Soviet power in the international arena. This asymmetry between the two countries the Germany and Soviet Union of Hitler and Stalin were the protagonists of international conflicts that left deep scars in contemporary international relations.

The practices described above can are described in the theory of international relations as the exercise of hard power, that is, the use of power and force in international relations.
Lately, the concept of *hard power* is often used in reference to describe the actions of the United States internationally, although it applies to other powers in history that employed might in the international arena.

Unlike *hard power* the concept of *soft power* originally coined by Joseph Nye is used to describe diplomatic action by means of dialogue, cooperation and cultural influences, among others (Nye, 2004).

In reality, international projection can derive from other factors as well, not limited for example, to the amount of power an international actor possesses (economic, military or technological). Other factors can come into play. The academic or political prestige of a single figure also serve to project a single person. In this fashion, positive domestic traits such as good governance, respect for human rights and so on can project a state internationally, as many examples show.

Cape Verde, despite its territorial minuteness and its insularity, has always sought to project itself internationally, a tenet made explicit in the document that lays out its external policy *A Foreign Policy of the Affirmation of Cape Verde in the World* (Governo, 2006)\(^3\). It is important to mention that Cape Verde’s effort of affirmation has yielded positive results, as today it has become one of exemplary countries in its region. Its performance is frequently mentioned in reports of institutions such as the IMF, the World Bank, and other international forums.

Of the abovementioned theoretical descriptions of *realpolitik*, hard power, and soft power, this latter one best describes the tool used by Cape Verde in its international policy. The primacy of the use of mechanisms of international cooperation as a strategy of internationalization and development, the transmission of the principles and values of “capeverdeness” in the world, good practices in internal politics are based on the tenets of the respect for human rights, the proper administration of the public good, the consolidations and efficacy of political and democratic institutions. They are ultimately the forms used by Cape Verde to seek international projection positively, without the use of force – hard power is after all not an available resource. Cultural diplomacy, mediation in dispute settlements, and international cooperation will thus continue figuring largely in the external policy of Cape Verde yielding advantageous capable of conferring it a more active role in the international arena.

1. **The Affirmation of Cape Verde in International Politics**

Aware of the International Order, unfavorable as it is for small states in the process of development, being that some are geographically peculiar, such as Cape Verde, the debate focuses on factors that contributed to the affirmation of Cape Verde on the worldwide stage.

1.1. **Cape Verde: a Global and Transnational State**

*TÉ NA LUA TEN KAB’ VERDIANU* (Góis, 2006: 23)\(^1\)

Migration flows have become the objective of study of multiple disciplines since its effects straddle the boundaries of Anthropology, Sociology, Law, Economics, History, Political Science, International Relations and so on. This cross-disciplinary approach is the result of the new configuration of migration flows that involving crime, multiculturalism,

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\(^1\) Even in the moon there are Cape Verdeans.
xenophobia, racism, social exclusion, brain drain, human trafficking, labor exploitation, inter-ethnicity and transnationality. Particularly with regard to the discipline of international relations, migration flows have assumed a prominent place. Here we shall contextualize the case of Cape Verde, the object of interesting investigations.

As a brief parenthesis, we want to emphasize that the concept of transnationalism cannot be reduced only to international economic and financial flows. For example, its conception is linked to the analysis of the actions of large transnational corporations and financial institutions across borders but also includes human mobility. Moreover, after the events of September 11, 2001 international mobility has spurred several debates in multilateral forums, sometimes with fruitful results.

The international projection of Cape Verde does not stem from aspects related to economic or military power, as in the case of the large powers, as the United States or emerging powers such as China (Tomé, 2004).

One of the forms Cape Verde has used to project itself internationally has been through its vast diaspora. The number of Cape Verdeans abroad is superior to the number of those residing on the archipelago. This vast diaspora always functioned as a vehicle for the values and culture of Cape Verde worldwide and will always provide opportunities for bilateral partnerships from the perspective of diplomatic relations and cooperation with countries that shelter communities of Cape Verdeans. From our perspective, if today Cape Verde is known and sought by tourists from around the world, this is largely due to our foreign residing communities. Many of these people have never visited Cape Verde but are familiar with its social, political and cultural realities because of their contact with our communities abroad.

As stated by Stephen Castles:

> In traditional societies, many people spent their entire lives in the village or in the borough in which they were born. Currently, migrations are becoming more common as people move in search of security and better living conditions: from villages to the cities, from one region to another, within one’s own country or to other countries or continents (Castles, 2005: 15).

Cape Verde is at the peak of this process, as community that is not localized but rather transnational.

Cape Verdean emigration has multiple facets that go beyond traditional ones, encompassing not only non-qualified workers but also those that are part of the so-called trend of brain drain, the term used to describe the flight of highly qualified people in management or technical labor who are integrated into the internal markets of transnational corporations and international organizations or who find work in international markets that require niche qualifications (Castles, 2005: 18), highly in demand in many developed countries. In the case of Cape Verde, this phenomenon has particularly worrisome contours, as many students are drawn in by the brain drain never to return.

The scenario described above hence demonstrates that Cape Verde's diaspora is also an intellectual one. This intellectual diaspora has one disadvantage for the country: the loss of brains, that is, qualified labor. However, it can also have advantages, to the extent that this diaspora is capable of exerting influence of creating lobbying efforts in destination countries, international organizations and multinational companies. However, Cape Verdean emigrants, qualified or not, have not done as much.
Being Cape Verde a global nation as a result of its vast transnational community that has contributed positively towards its local development – either because of mediations its capacity to forge bilateral partnerships or simply due to money remittances from across the world – always justified the formulation of a foreign policy for the diaspora. This necessary relationship with the diaspora is one of the fundamental pillars of the Cape Verdate foreign policy: the affirmation of Caper Verdate Communities Abroad (Governo, 2006). This begs the question concerning the efficiency and consistency of this policy.

Legislation and government programs always approach the issue of diaspora, yet they are seldom put into practice. For example, in the government program of the 7th Congress, there was no scarcity of measures beneficial to the diaspora:

a) Keeping an open and constructive channel of dialogue with communities, particularly leaders, intellectual, economic players with the goal of establishing a long term vision and the promotion of practices in line with the goal of inclusion and affirmation in countries that receive immigrants and participation in the development of Cape Verde;

b) Stimulate on equal terms the civic and political participation in countries that receive emigrants, developing innovative partnerships with all interested actors and fostering a diplomatic-political dialogue in favor of integration;

(...)

j) Negotiating Social Security agreements, with the aim of providing better social assistance for Cape Verdate immigrants and their families;

k) Reinforcing support for communities with greater necessities, placing their situation in the diplomatic agenda with the authorities of countries that receive Cape Verdeans

The measures described above, constants of the government's program, are the most clarifying examples among the many issued by the government. If they were effectively put into practice more consistently the foreign policy targeted at the diaspora, particularly regarding integration, would have different contours.

Of the fundamental premises of Cape Verdate foreign policy, in our opinion, the foreign policy for the diasporas is the least efficient from the point of view of its implementation. In other words, a foreign policy exists, however it is still incipient. As argued by Kátia Cardoso:

We can verify that that our executives have given greater importance for emigrants, not only as sources of remittances, but as political actors engaged in Cape Verdate society. However, the attention given to emigration, whether in the constitution or in government policy, have not been translated into reality (Cardoso, 2004: 102).

Despite the remarkable progress – as the support provided my diplomatic missions, the constitutional assurance providing a voice for emigrants in domestic affairs, and the support for diasporas in inclusion, cultural approximation and access to information – there are still numerous problems and challenges that are part of the daily lives of Cape Verdeans in the diaspora, justifying greater government intervention. Poor labor conditions, social exclusion, and unemployment lead to low standards of living. Without government intervention, many Cape Verdeans believe the government is more interested in remittances than inclusion abroad.
Some keys points need to be improved in the foreign policy for the diaspora:

1) The modernization and expansion of services offered by the diplomatic corps. Indeed there are diplomatic missions in all countries with a numerous contingent of Cape Verdeans, however they are not capable of effectively offering assistance and processing documents, a constant criticism;

2) The promotion of visits and regular meetings between Cape Verdean authorities and the diaspora needed not so much for partisan reasons but as a requirement for good governance. These visits to communities must occur regularly and not only during electoral campaigns.

3) Stimulate and incentivize associations that represent communities, by providing either financial or human resources. Also avoid the use of these associations as a form to reap political benefits for political parties, as has been the case (Machado, 2010).

4) Stimulate and support academic and scientific investigations, especially those concerning the diaspora. This allows for a better comprehension of the hardships faced by emigrants and thus authorities can take proper and concrete measures.

The diaspora cannot be used only as a source of remittances. There ought to be pragmatic actions, in this case, on the part of origin country governments, so that emigrants do not feel abandoned. Otherwise, the impact would always be negative, generating progressive estrangement and the sense of cultural and social belonging from the country of birth; or the lack of interest or outright denial to participate in the affairs of Cape Verde, as, for example, in the electoral process (recent data shows the absences among emigrants are high, despite the Constitution’s acknowledgment of the right to vote for emigrants); the lack of interest in taking investment and business to the country of origin; progressive distancing from the country of origin, with many never returning.

These are situations which can be attenuated with a foreign policy aimed at the diaspora, provided it is implemented with consistency and balance, taking into account the geographic distribution of Cape Verdean society, given its dispersion throughout several countries and continents.

The inefficacy of the foreign policy for the diaspora is acknowledged even by those who are the helm of the nation. David Hopfer Almada, a former deputy and a minister during the Partido Único period, acknowledges that political authorities are yet to give the proper attention to emigrant communities, however guilt must no be ascribed to the government or the nation, for the situation is highly complex and Cape Verde faces multiple obstacles. For the former representative, this is the reason why, for the first time in history of Cape Verde a Ministry for the Communities was created, in order to provide a straightforward answer (Almada, 2010).

As a closing remark concerning this subject, it must be pointed out why we are calling Cape Verde a Global and “Transnationalized” Nation. This occurs since the number of Cape Verdeans who live in the diaspora is practically double those living on the archipelago. Furthermore, because this is a geographically vast diaspora is dispersed in all countries, and the cases in which this community has a sizeable number, as in Portugal. The geographic location of Cape Verde, inserted in transatlantic routes, associated to the abovementioned factors, further reinforces the idea of a Global Nation strategically located at the crossroads of Atlantic routes.
1.2. Good Local Governance and International Credibility

Cape Verde has credibility and deserves worldwide recognition (Myles, 2009)\(^\, ^{10}\).

The theoretical issues raised in the above sections provide a clear view that there is a direct correlation between internal and external policies. Poor internal policy, associated to disregard of constitutional laws, and human rights, a corrupt administration and the abusive use of public funds will negatively affect foreign policy. One of these negative factors is the lack of international credibility.

Based on the premises described above, the existence of the so-called failed states of pariah states exist (Varela, 2005: 94), in other words, states that are not able to negotiate with international institutions, states that are unable to attract foreign investment and that are isolated at the international level. Many of these weak states not only are not credible from, but also their own frailties and deficiencies constitute threats to security and stability, regionally and internationally (Fukuiama, 2005). At the same time, there are credible states following the fair political, economical and social course, capable of sustaining multiple foreign partners and attracting foreign investment.

We must resort to Political Theory to help us understand the meaning of good government, allowing us to evaluate what good local governance constitutes and hence its international impact. Norberto Bobbio considers good government that which can realize the public good whilst in accordance to instituted constitutional laws (Bobbio, 2000:207). Two fundamental elements arise from this theoretical formulation, however they do not suffice. A good government is not only that which abides to the law and complies to the will of the society it is intended to represent, but also it must be know what is doing, in the sense proposed by Aristotle according to which politics is the art of good government.\(^{11}\)

For this reason, a good government must have a firm grasp of a wide range of fields of knowledge in order to ensure a positive administration of the society represented in all its complexity (political, economic and social).

Cape Verde, in terms of good governance, despite being a young nation only 38 years old, has taken a leap forward that must be praised. As a small Island, vulnerable to all sorts of economic and natural hardships, considering its current situation, the nation-building process of Cape Verde is nothing but remarkable.\(^\, ^{12}\)

We must recall that in the past Cape Verde participated in the meetings with the poorest countries of the planet, but no longer is a participant in middle development countries.

It might seem a paradox that Cape Verde, at the times of its Independence considered one of the poorest countries of the world due to its natural and economic vulnerabilities, with many questioning its viability,\(^\, ^{13}\), in the end became one of the most viable and consolidated African states. Many counties that a priori seemed more promising due to their natural resources are today ranked below Cape Verde in the Human Development Index (ONU, 2009)\(^\, ^{14}\).

This success is the result of optimal use of scarce internal resources, foreign investment (international loans, multilateral and bilateral), and remittances from emigrants.

The concept of good governance should not be limited to economic issues such as GDP, inflation, unemployment, fiscal policy, etc.), but also social-political. This is why governments work best when they function as organisms of sovereignty and several institutions of the State, reflected in the organization of political power. In Cape Verde,
when we speak of good governance many aspects are involved. The existence of a multiparty representative democracy with power alternation, associated to a semi-presidential government with strong parliamentary tendencies, meaning that the parliament, by exerting its opposition, oversees and supervises the government, allowing greater transparency in the administration of public funds. The separation and Independence of the organisms of Sovereignty, which in Cape Verde are highly efficient and guarantee the balance of powers (Zippelius, 1997: 387), also have an important role, insofar as the Judiciary has a key role in the oversight of public power (Amaral, 2005: 148) so that there is no place for impunity of those politically accountable. The President of the Republic has the role of moderator, not only supervising other political institutions, but also plays a role in thwarting political instability (Canotilho, 2003: 621-626; Lima, 2004: 87-89).

Lastly, civil society also has an important role in overseeing political power. This can occur through the power of the ballot. Due to a rigid bipartisan system (Mair, 2004: 200-201; Carvalho, 2004: 106) the party in government will be very vulnerable to pressure from civil society and its reflection in the electoral system.

As we can see, good governance is not restricted to economic performance, but also to political and social issues. However, political and social development relies upon development and economic growth. The lack of the latter can generate social tensions, violence and other forms of “illegality” such as the creation of black markets and the increase of crime. In the case of Cape Verde, it is evident that there has been a minimum of development and economic growth, albeit dependent of foreign investment for the training of human resources in the field of health and others.

Due to the fact Cape Verde gave this leap forward while many others nations stagnated the country has been able to gain greater projection in the international arena. It is one of the few credible nations in Africa with ease to negotiate and obtain international financing, enjoying an international reputation of political stability, peace and development.

Macroeconomic data shows that Cape Verde has had considerable evolution, despite structural challenges. However, some macroeconomic indicators will need to be improved.

Unemployment is still a considerable problem in the archipelago. In this case, it calls for policy that enable the diminution of unemployment in the short term, investing in professional qualification, providing credit for entrepreneurs, especially young ones, and public investment in sectors that can generate employment, as fisheries, agriculture and services in general.

Poverty, too, is another problem. Percentages show that economic inequality is relatively accentuated. A significant share of the Caper Verdean population is at the level of poverty, particularly in rural areas, where the lack of opportunities is a reality. In these areas there are youth and elderly who lack any basic care, lacking basic sanitation, potable water, electricity and access to information. Despite investments made by Cape Verde, there is still a long way to go.

Poverty and unemployment are interrelated and cause complex social problems as substance addiction, alcoholism, criminality and violence. In the case of Cape Verde poverty is the cause of migration (Carreira, 1977: 35); (Graça, 2007: 101), whether within or beyond its frontiers. Internally, there has always been a great rural exodus to urban centers, particularly to the city of Praia. As a result, there have been numerous problems surrounding the organization of the territory, the increase of unemployment, criminality and rising urban violence. In this
case, combatting these issues (criminality and urban violence) must deal not only with legal issues but also poverty and social exclusion by promoting employment and social inclusion policies. For example, combat to poverty in rural areas is one of the exemplary cases of how to prevent overcrowding in urban areas and minimize the abovementioned problems, taking into account that many would no longer migrate to urban centers and lead to more balance development (Todaro, 1994: 272-274).

Often the problem of poverty and social exclusion, especially in rural areas, is not faced head on due to lack of knowledge. Remote areas are not always visited regularly by political decision-makers and specialized technicians in order to make a realistic assessment of needs and measures to be taken. Consistent fieldwork is needed in this regard. In this context we would say that the state must make an effort to overturn these social imbalances, many of them created by the market, in order to provide a fair distribution of well being to its population (BAN, 1998).

The public debt must be either reduced or solved. Low levels of internal investment – due to the lack of resources – the archipelago’s dependence on foreign funding (loans, multilateral and bilateral assistance) and the strong imbalance of the trade and payment sheet explain the increase of the public debt.

1.3. Political and Social Stability and the Attraction of Foreign Investment

In 1991, following the first multi-party elections in the country, a democratic regime with all the institutions of a modern democracy. Today Cape Verde is a stable and socially peaceful country, and enjoys credit from foreign governments, companies and financial institutions (MNE and IC, 2006).

Foreign Direct Investment (FDI) is a transaction that occurs when an investor, in possession of information about a certain country, decides to undertake an economic and entrepreneurial activity.

FDI is often association to large transnational corporations that carry out their entrepreneurial activities according to the facilities offered by receiving countries. However, there has not always been a positive evaluation of FDI. There are critiques that this type of investment, especially in developing countries exploit cheap labor, and usurp natural resources, but not generating value in receiving countries (Cardoso, 1979).

Taking a different stance from this critique, it is our view that if sound economic and entrepreneurial policies are implemented by FDI-receiving and if the sectors that receive them have plausible advantages, both for the investor and the receiving countries FDIs can bring many benefits. Some deserve mentioning, namely:

a) Reinforces inclusion of receiving countries in international trade networks;

b) Generates employment, development and economic growth;

c) Promotes technology and know-how transfers.

Economic development of any country depends largely on the behavior, intervention and interaction of economic actors: State, families and business. This is why the state must formulate good economic policies so as to create business opportunities. It must also foster private consumption and trade among companies established in the market. One of the advantages of FDI we have pointed out is job creation. Jobs allow families to consume and is what consolidate the business sector, combats poverty and contributes to economic growth.
In Cape Verde, FDI became particularly relevant after the economic reforms of the 1990s, that is, during the transition from a centrally planned economy to one in which the private sector is placed the forefront of development. It is important to recall that before the 1990s, as changes in the international political and economic conjuncture signaled the downfall of planned centralized economies as incapable of materializing development, economic reforms had become an imperative. These reforms thus prevailed over party doctrines and this over the first reforms in which the government started losing its monopoly of the economy and started providing incentives for private companies (Silva, 1997: 4). With these reforms, it enabled greater access to the international market and internally gradually several legal mechanisms alongside fiscal and custom incentives favorable for foreign direct investment (Monteiro, 2001: 61):

- Fiscal incentives: tax and income exemptions during 5 years and/or whenever reinvested; exemption for interest payments and corresponding rates for financial operation constituting external investment; Stabilization of the fiscal regime (unique tax rate for earnings of the 10% after the 6th year, respecting favorable conditions accorded with the State of Cape Verde
- Safeguards: protection of assets inherent to investment; free transfer of dividends due to shareholders/partners that have capital participation in foreign external resources; opening of bank accounts in foreign currency.

In addition to the abovementioned incentives there are other factors that underlie the attraction of FDI in Cape Verde. There are several, among which the following stand out:

a) Geographic positioning:

Cape Verde plays a strategic role in the eyes of foreign investors, given its strategic positioning between Africa, Europe and America. In a time when one of strategies available for corporations is internationalization or expanding reach in international markets, Cape Verde, given to is location, has attractive conditions for foreign investors who intend to penetrate the African market.

b) A stable political and institutional context:

Even if a State is endowed in terms of resources and business opportunities, if the political and economic climate is not stable, investors will shy away. This relates to the strategy of adaptation of corporations that, before investing in a certain market, conduct preliminary studies, evaluating all characteristics of the market. From this prism, corporation will simply balk from making investments if these conditions are not met.

The historical evolution of FDI flows shows that markets such as the United States, Japan, and certain EU countries (Germany Great Britain, France) and recently emerging countries (Brazil, South Korea, Hong Kong, and Taiwan) have been favored. This occurs alongside other key factors that influence the direction of these investments, such as:

1- The quality and quantity of productive factors;
2- Political and economic stability;
3- Broad consumer and business market;
4- Degree of liberalization of domestic markets;
5- Infrastructure;
6- Qualified labor.
The African market and developing countries do not in general offer foreign investors and developing countries the conditions described above, and perhaps this explains the low flow of FDI.

Cape Verde has a stable political and economic climate, which ensures the sustainability of development of economic and business activities. The lack of social instability since there is no civilian conflict, government stability, as all governments have served their terms without interruptions, and laws have prevailed alongside low levels of corruption, considerable economic freedom and the consolidation of the Rule of Law as core factors of attraction of FDI in the context of its strategic geopolitical position. As argued by the ex-minister of Foreign Relations of Cape Verde, José Brito:

Cape Verde, thanks to its democracy, is in fact a credible partner. In practical terms it is easier to engage with Cape Verde – a country where there is predictability – than other countries where these conditions do not exist. In those countries many decision are made beyond the scope of institutions. In Cape Verde, on the contrary, institutions work. This is why Cape Verde has been sought out (Brito, 2010).

Political and social stability are “assets” of the utmost value, thus serving as a comparative in order to project itself in the international scene, whether politically or economically (Tavares, 2011). This political and social stability on its turn ultimately softens the impact of the vulnerability or scarcity of natural resources Cape Verde suffers from.

Given the characteristics of this political, economic and geographic order in Cape Verde, the value of the FDI, as determined by the GDP, has increased significantly over the years. However, this FDI has not evolved homogeneously across the different sectors of the economy. The tourism and services sectors have received greater sums, despite others with great potential, such as fishing. Even considering tourism, FDI has been concentrated in Ilha do Sal, Boa Vista and Maio, considering that in Cape Verde is known for its beach going tourism.

The archipelago nevertheless has great potential in rural and ecotourism, considering the characteristics of other islands such as Santo Antão, São Nicolau, Fogo, Brava and Santiago. Therefore, in this case it is necessary to place greater confidence in the dissemination of information at the international level, in order to make investors aware of the comparative advantages of Cape Verde regarding the development of other sectors.

Regarding these core factors it is to promote the improvement of infrastructure, particularly in terms of transportation in order to attract greater foreign investment. Despite the challenges posed by its insularity and topography, Cape Verde has taken important steps forward. The construction of three new airports (raising the total number from 1 to 4), and the paving of many of its main roads are some examples. National leaders are conscious of this reality, acknowledging the need to “develop basic infrastructure and the economy and promote the organization of the territory for well-balanced growth.”

In 2002 FDI accounted for 6.1% of the GDP and soared to 44% in 2006. However, this growth did not follow a linear trajectory – it dropped between 2002 and 2004 and then resumed growth afterwards.

FDI in Cape Verde is concentrated in a few sectors (tourism and services). In other sectors, the percentage of FDI is still relatively low. In our understanding, some factors can explain such discrepancies, among which two must be pointed out:
1. The lack of highly specialized workers in some fields;

2. The country’s vulnerability in terms of natural resources.

Upon close analysis, we can state that FDI in Cape Verde is far below the desired level in the industrial sector. The abovementioned factors are the explanation. The industrial and transformation sectors are highly reliant on the natural resources of Cape Verde, which does not possess them in abundance. On the other hand, this sector also requires highly specialized workers, capable of transforming resources into products with added value. (Tunzelmann, 2007: 15). Despite progress in its education system, there are still areas that face great challenge. Education and the level of qualification are some of the foundations of productivity and international competitiveness (Porter, 1990), which requires serious investment in areas that are important.

Lastly, we must underscore that the Cape Verden market is small, and consumptions, particularly private, is modest, which hinders the development of a significant entrepreneurial sector and that of several sectors, important factors as the development and consolidation of any entrepreneurial sector depend on the purchasing power of families and other actors in the market.

2. Cape Verde: Challenges and Constraints in the International Arena

As stated by the ex-ambassador of Cape Verde to Portugal, Arnaldo Ramos: “Thirty years ago [sic] all reports wrote off Cape Verde. Lacking national resources and a domestic market, Cape Verde, apparently helpless, proved that Progresso was possible (Ramos, 2010)”28. In our view, this stability is to a great extent the result of foreign policy, associated to international development and cooperation, carried out by Cape Verde during its 35 years of existence, and also thanks to good government.

The development of a Nation is not solely grounded on socio-economic indicators, it is a result of the improvement of socio-political and cultural indicators as well. Education, for example, is one of the factors comprised by socio-cultural indicators and is crucial in the process of: “Institutions and culture first; then comes money; but long before and every more so, knowledge is the essential and compensating factors (Landes, 2005: 309; Garry, 2010)”29. Thirty-five years after the independence of Cape Verde a positive assessment can be made, especially regarding the formation and training of human resources:

The authorities are placing all their hope on the adaptation of the educational system to the true necessities of the country, leading it to serve not only the simple transmission of knowledge, but also the global and integrated formation of human resources, today acknowledged as one of the strong aspects of the Cape Verden economy, perhaps the most developed country in African in this regard (CGD, p.72).

Yet, although we do not want to offer a critique of the development paradigm pursued by Cape Verde, it is necessary nonetheless to carry out changes, or simply evolve to a more advanced stage. Until now, the country has proven to be highly dependent on foreign countries and communities, for the already mentioned reasons, which means that any international financial shock will cause large waves of instability. We are not trying to say that Cape Verde should abandon its development-oriented foreign policy, but rather indeed continue it as an important development strategy. However it is imperative that the country acquires greater capacities in producing and generating wealth, so as to reduce its foreign dependency. (Monteiro, 2004: 6). In this case, we are in agreement with the opinion expressed by João Estevão:
Government after government has assumed as a fundamental objective of its development policies the modification of this model. But after almost three decades, the situation remains essentially unchanged. The economy is still marked by a fragile productive sector and low capacity to export, as well as heavily dependent on foreign flow to ensure its ability to import (Estevão, 2004: 3-4).

Cape Verde is a country of scarce resources and those it does have are not fully taken advantage of. The sea and the sun are two examples of natural resources Cabo Verde is yet to take full advantage of.

The trade balance of Cape Verde is negative, meaning its imports exceed exports, leading to an increase of foreign debt (BCV, 2008). This is a chronic and structural problem. For example, fishing is one of the under exploited sectors of the economy, despite Cape Verde’s vast maritime resources. Fishery output is still well below what is considered the optimal amount of catches (approximately 8,000 tons/year were caught between 2001 and 2003). The size of fishing’s share in the GDP has been relatively low. Despite investments made in infrastructure and direct assistance, full advantage of these resources have not been taken, given a combination of several limiting factors for its capacity and development, such as the low quality and number of seafaring vessels, inexistence of commercial chain and, perhaps most importantly, lack of qualified workers in the sectors, who due to previous limitations did not find reason to invest in adequate training, a vicious cycle that will have to be interrupted (CGD, 2007: 58).

Despite Cape Verde’s admirable progress in terms of development and international prominence, several challenges remain.

2.1. Security and Defense

Due to its geopolitical stance, special efforts must be made to supervise the territorial waters of Cape Verde, ensuring a safeguard against crime, drug trafficking and clandestine migration (Graça 2007) all of which pose a threat to the international community. The fact Cape Verde is privileged geopolitically31 in the context of transatlantic relations between Europe, the Americas and Africa requiring it to be vigilant of its frontiers, preventing it from becoming a platform for illegal activities (Tavares, 2011: 67). In Cape Verde, international drug trafficking became a major issue. Not only can Cape Verde become a platform for international crime, it can also become a market for drugs. In reality the number of youth drug users in Cape Verde, especially in urban centers (Praia, Mindelo, Assomada, the touristic Island of Sal), has spread to the other islands, such as Boavista. Some of the consequences of this increase in drug use can already be noticed as crimes such as thefts and murdering increase. These effects will perhaps worsen as incentives to international drug trafficking are related to consumption – more demand means more need for supply (EBO, 2008: 55).

States as well as several international organizations have not been able to deal efficiently with this issue. This is due to lack of efficient and robust cooperation between states and intelligence services, as well as poor regulation by the state and several international organizations (Perreira, 2005: 141)32. In the case of Cape Verde, there is doubled effort by the authorities to combat this scourge. It is in fact a major priority. (Governo, 2006: 88)33. Lack of resources further hampers effective measures against drug trafficking.

One aspect is clear in this regard: the geopolitical position of the archipelago of Cape Verde renders a foreign policy of defense and security an unquestionable necessity. There are already some signs of a move in this direction, as indicated by the signature of an agreement creating a special partnership with the European Union, benefitting both parties.
The emergence of phenomena such as illegal immigration, international trafficking and the proliferation of regional conflicts implies the need of a new strategy for national security and defense. On the other hand, with the complexity of the International System characterized by complex interdependence, as pointed out by Robert Keohane (Keohane, 2001:3 e 21-22), no state can isolate itself. It must, to the contrary, necessarily develop dynamics of international cooperation in several fields, ranging economy, politics and including security and defense, and thus respond to the needs of a network society (Castells, 1997: 262).

It is a given that:

The collapse of the state and its institutions is more easily associated to / influenced by threats such as organized crime and terrorism and pose great risk for regional stability or even peace and international security (Perreira, 2005: 142).

Cape Verde, despite its vulnerability has not reached this point yet, although only a quick glance at its neighbor, Guinea Bissau, to understand how drug trafficking can quickly constitute an international problem.

2.2. Autonomous and Consistent International Projection

Cape Verde has so far proven to be a country fairly dependent on foreign resources. Despite its difficulties due to the lack of natural resource, the country has the opportunity to take a significant step forward, maximizing the potential of its current resources and decrease foreign dependency. It is necessary to place hopes in the rain harvesting system for agricultural irrigation, energizing the fishery sector, a sector in dire need of modernization, use human capital and further its qualification in priority regions, and take advantage of the full potential of rural and ecotourism, and promote entrepreneurship as a means to reduce unemployment, especially among youth. Considering this scenario in which Cape Verde must redefine its diplomatic strategy two relevant point must be invoked: (i) Cape Verde’s relationship to other emerging powers; (ii) Cape Verde’s relationship with the Community of Portuguese-Speaking Countries (CPLP):

Regarding the first point, it is extremely important to redefine the foreign policy of Cape Verde. All hedges must be placed on diplomatic cooperation with the abovementioned emerging powers. Regarding the second point, the CPLP, an international organization, whose members are countries on different continent yet share a common linguistic culture, Cape Verde’s diplomatic stance “fits into the country’s global development strategy, in most sweeping process of internationalization, taking advantage of the synergies that spring not only from the fortification of political, economic and cultural relationship with its other eight members, but also of the regional insertion of each one of them”.34

Nevertheless it is necessary to acknowledge that the CPLP is an international organization with a low degree of projection compared to other organization. It faces several internal obstacles, namely regarding peace and democracy clauses that many of its members are unable to comply with, as many are countries still suffer the consequences of a long history of colonialism, political instability (as East Timor and Guinea Bissau).

However, two of its member-states already occupy higher echelons in the international order: Portugal, member of the European Union and NATO; and Brazil, an emerging power that is also part of the Mercosur bloc.37
Cape Verde, through the CPLP, has sought greater international presence, but also in turn the CPLP can redefine its strategy, relying on a strategy of internationalization, using Caper Verde as a platform. Cape Verde is located strategically between Europe, Africa and America and has a vast community of émigrés in four continents, fitting the description of a global and transnationalized nation and its increasing presence internationally is also result of its social and political stability. Just as Brazil and Portugal, Cape Verde is also important for the projection of the CPLP.

Being the CPLP and organization defined by a common culture and cooperation that extends to several realms of cooperation, including security and defense, human rights, freedoms and safeguards, the promotion and diffusion of the Portuguese language and education. Cape Verde has actively participated in the political and diplomatic arrangements in the realm of policies that have been developed by this international organization. An example is the fact the International Institute of Portuguese Language is located in the city of Praia.

Conclusions

Cape Verde, as a sovereign nation-state has many challenges to face:

1. Safeguarding the security and defending its territory, aware it is vulnerable to the scourges of illegal immigration and international trafficking. On the other hand, it is surrounded by States affected by conflict and instability;

2. Seeking self-affirmation in the international arena with autonomy, especially in the economic and financial realms. This implies that the country must make the best of its scarce resources, increasing its domestic productive base so as to reduce foreign dependence.

However, Cape Verde has also made remarkable progress, which must be underlined:

1. It is obtaining greater international projection due to several factors: its vast diaspora and positive reputation due to its successful political and economic governance;

2. For a small territory, an archipelago, with all its economic and natural vulnerabilities, it has overcome skepticism and has made a huge qualitative and quantitative leap, leaving the group of poorest countries in the world to join those with middle levels of development. It has become a paradigm in a region otherwise marked by instability. This has occurred because it has adopted a utilitarian (MILL: 47-82), pragmatic, and development oriented foreign alongside other tools domestically, as good governance practices making it clear that foreign policy will lead to balanced and sustainable development only if at the internal level there is transparency, consistency, serenity and honesty on politics and government.

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Notes
1. The State of Nature is the terms used by social contract theoreticians (Thomas Hobbes, Jean-Jacques Rousseau, John Locke) as an epistemological Foundation to explain the emergence and legitimization of political power.

2. Notwithstanding the realist claim that International Relations refer to the power relationship among states, that is, States are the main actors of International Relation.


4. According to line “d” of article 79 of the Cape Verde Constitution, it is the state’s duty to “ensure the defense and the promotion of Cape Verdean culture in the world.” Line “e” of this same article established that the state must “promote the participation of emigrants in the cultural life and diffusion of national culture among emigrant communities.” These constitutional clauses clearly indicate that the diaspora constitutes a vehicle in the transmission of Cape Verdean culture.


6. Foreign Policy for Development in the Age of Globalization; Foreign Policy for the Affirmation of Cape Verde in the World; Foreign Policy for the Affirmation of Communities Abroad.

7. Interview with the President of the Association of Cape Verdeans in Lisbon. 2010

8. The Ministry of Communities was created following the government overhaul that took place in 2010.

9. Stated during interview in Lisbon.

10. Marianne Myles, former ambassador of the United States to Cape Verde in an interview to the Lusa Agency.

11. In our interpretation, we believe that Aristotle uses the term politics to refer to those who wield power, by means of which they govern society.

12. See Human Development Index (2013), which ranks Cape Verde 132, one of the highest among African nations and number one in West Africa. In order to put this into perspective, compared to other countries in this sub-region (CEDEAO), formed mostly by pariah,
collapsed and failed states on can say Cape Verde is an example to be followed in Africa.

13. Henry Kissinger, one of the most iconic ideologues of US foreign policy was skeptical of the fate of Cape Verde.


15. See article 180 of the Constitution of Cape Verde regarding its attributions in fiscal policy.

16. According to Article 125º, line 1, of the Cape Verde Constitution “The President is the guarantor of the unity of state and nation, the integrity of the territory, national Independence and oversees compliance to the constitution and international treaties.”

17. Ministry of Foreign Affairs and Institute of Communities.

18. FDI is not limited to the expansion of large transnational corporations. There are small investments made too that can be classified as FDI

19. Dependency theorists cited in the first section make a similar critique.

20. Lei nº89/IV/93, de 13 de dezembro.


22. There are many other incentives we shall not mention here specific to each sector.


24. Interview with the former Minister of Foreign Affairs, José Brito

25. Of course, with the exception of recent periods of crisis, with the reduction of foreign demand and its negative impact on key sectors of the economy.

26. This is also the argument made by Carlos Rocha (former administrator of foreign debt), Rui Santos (former president) and Eileen Barbosa (former Tourism Promotion authority). Interview given to “Negócios e Afinidades”, 24 April 2010.


28. Interview with Arnaldo Ramos, ex-Ambassador to Lisbon to the Anuário Negócios & Afinidades.

29. According to a report by the Cape Verde Central Bank (2008), its foreign debt exceeds 683.3 million dollars.

30. Cape Verde has always been important geographically, since the fifteenth century, when it was discovered and its settlement commenced. This means that the strategic interest in Cape Verde was principally geographic.


37. Despite the fact the CPLP is not priority of Brazilian foreign policy.

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