

Active Labor Market Policies in Cape Verde:

Education, Labor and Sectoral Policies

Active labor market policies and
Informal labor in Cape Verde

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Work project carried out under the supervision of:

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Group Part

Abstract: This thesis investigates the multifaceted landscape of Active Labor Market Policies in Cape Verde, a developing country facing unique challenges. The first part of this project, called “Group Part” was developed in collaboration with three other people, that explored three different topics. Here I will be elaborating on the topic that considers that the high levels of informality can constitute a challenge to reaching high levels of dignified working conditions, that the Government of Cape Verde is working for.

Keywords: Informal labor; Dignified labor; Cape Verde; Active Labor Market Policies; Information and awareness-raising; Developing Countries; Africa; Policy Evaluation.

This work used infrastructure and resources funded by Fundação para a Ciência e a Tecnologia (UID/ECO/00124/2013, UID/ECO/00124/2019 and Social Sciences DataLab, Project 22209), POR Lisboa (LISBOA-01-0145-FEDER-007722 and Social Sciences DataLab, Project 22209) and POR Norte (Social Sciences DataLab, Project 22209).

1. INTRODUCTION

Skill and employment policies are vital in shaping the socio-economic development of a country. According to the ILO (n.d.), these policies aim to improve "the functioning of the labor market by inducing changes in labor demand and supply, as well as their matching process". They serve as a driving force for economic growth, social cohesion, and individual prosperity. Creating effective strategies in these domains is crucial for developing countries like Cape Verde. This thesis examines various aspects of employment policies in Cape Verde, each addressed by a different group member. Our investigation spans the themes of informality, education, agriculture and job search platforms.

Our first theme explores the informal labor market in Cape Verde, which makes up 52% (Observatório do Mercado de Trabalho, 2022) of the jobs in the country, seeking to understand how this influences the design and implementation of Active Labor Market Policies (ALMPs). While offering greater flexibility and immediate opportunities for income generation, the informal sector typically lacks the benefits and protections provided by formal employment. Therefore, understanding the impact of informality on labor market policies is crucial in ensuring effective, efficient and inclusive policy design. Guided by the research question, "How should labor market informality influence Active Labor Market Policies in Cape Verde?" we study the informal labor market, understanding the impact that informality has on the Cape Verdean economy and if it is possible for the government to support the creation of decent jobs without firstly eradicating informality.

The second theme explores the role of education in shaping the labor market. Education is fundamental for equipping individuals with the skills necessary for productive employment. However, developing countries' traditional education systems often need help providing quality and relevant learning opportunities. Therefore, our second research question asks: "How can innovative learning approaches address the challenges faced by education systems in

developing countries?" Through this lens, we will explore the potential of innovative educational approaches to alleviate obstacles within education systems in developing nations. We will analyze the Brave Generation Academy (BGA) model, a pioneering hybrid educational system, to understand its efficacy in addressing these educational shortcomings. By comparing the traditional methods with the practices of BGA, the research aims to derive insights into how such innovative models can be adapted and scaled in various developing country contexts.

Thirdly, the research directs attention to the agriculture sector in Cape Verde, a field of critical importance that frequently has challenges related to low productivity and sustainability. Thus, the third research question arises: "What key strategies and public policy interventions are required to enhance agricultural productivity, reduce dependence on foreign food supplies, increase labor market participation, and promote sustainable agribusiness development in Cape Verde?" This inquiry is the cornerstone for analyzing potential measures to enlarge best agricultural practices, bolster labor engagement, and foster sustainable growth. Numerous factors, such as limited geographic conditions, arable land, water scarcity, pervasive soil erosion, and inconsistent rainfall patterns, curtail Cape Verde's agricultural productivity. Consequently, the strategies to increase productivity must be multi-faceted, addressing various dimensions to escalate productivity and curtail reliance on food imports. The main goal is reducing dependence on foreign food supplies stands, considering imported food poses a substantial concern for national food security. Moreover, increasing labor market participation represents another facet of this complex issue. To avoid the young generation's aversion to agriculture labor, there is the need to counteract through attractive incentives, comprehensive education, and training programs designed to render agriculture attractive, enticing more young individuals into this vital sector.

Finally, we examine the role of job search platforms and labor market information systems in developing countries. Moreover, we also consider their role in evaluating the impact of

ALMPs. These platforms may be crucial for matching job seekers with employers and providing valuable data to guide policy decisions. Our research question is: "How can labor market information systems facilitate impact assessments of Active Labor Market Policies?" We aim to provide insights into how Cape Verde can better leverage information systems to evaluate and improve its employment policies by addressing this question.

In conclusion, this thesis aims to analyze employment policies in Cape Verde comprehensively. Considering the four themes mentioned above, we intend to understand the interconnectedness of these sectors and their implications for Cape Verde's economy. The outcomes obtained from our four studies include suggesting improvements to make job policies more inclusive and effective, identifying innovative educational strategies that better prepare individuals for employment, proposing methods to enhance agricultural productivity, and understanding the role of job search platforms in shaping job policies. Through this comprehensive analysis, we hope to contribute positively to Cape Verde's socio-economic development and provide insights that could benefit other countries in similar circumstances.

2. LITERATURE REVIEW

2.1. INTRODUCTION TO ACTIVE LABOR MARKET POLICIES (ALMPS)

Active Labor Market Policies (ALMPs) are interventions designed to improve the labour market's functioning by increasing jobseekers' employment prospects and enhancing workers' skill sets. Forslund (n.d.) categorizes these policies into four types: job-search assistance, training, subsidized employment, and work practice schemes. Each policy measure often incorporates a combination of channels to effectively support unemployed individuals, such as influencing job-search behavior, enhancing worker skills, and facilitating labor-market connections.

Card, Kluve, and Weber (2015) conducted a meta-analysis of ALMP studies and found that well-targeted ALMPs can improve the functioning of the labor market and reduce

unemployment. Their analysis emphasizes the importance of tailoring policies to the needs of different groups, such as long-term unemployed, young people, and disadvantaged workers.

Crépon and Berg (2016) discuss the potential drawbacks of ALMPs. Despite their potential benefits, some participants may dislike these programs. They discuss the "threat effect," where individuals may accept low-paying jobs to avoid enrolling in an ALMP. This effect drives people out of unemployment and inadvertently reduces the number of actual program participants. Moreover, ALMPs may have unintended consequences on the job search process and productivity, with the threat effect sometimes dominating the overall ex-ante effects of training.

The authors also present the "lock-in effect," acknowledging that time spent in programs like vocational training could detract from other activities that could help job seekers find employment. Consequently, the upfront time costs might counteract the program's positive impact on reducing unemployment duration.

McKenzie (2017) argues that traditional ALMPs in developing countries, whose focus tendency is skills training and job search assistance, have, to a certain point, a frugal impact on employment and earnings. This and the regular over-expectation around these policies breed disappointing results. One explanation offered by the report is that labor markets (e.g. in rural settings) in developing countries function better than commonly anticipated, with a significant fluctuation of workers between job openings and opportunities. Even though traditional ALMPs fall flat in these contexts, alternative policies may bring positive outcomes. The report alludes to Campos et al. (2016) work in Uganda, which depicted that the salary of women transitioning to male-dominated industries was three times higher than that of women who remained in female-dominated industries.

Kluve et al. (2018) conducted a quantitative review of 113 impact evaluations of youth employment programs, finding considerable variation in their effectiveness across different

interventions, target populations, and contexts. Skills training and entrepreneurship programs and those targeting vulnerable groups such as young women, low-skilled youth, or rural populations showed higher impacts on labor market outcomes.

2.2 ALMPs AND LABOR MARKETS IN SUB-SAHARAN AFRICA

Forecast data indicates a significant rise in youth populations in West, Central, and East African nations, contributing considerably to this demographic rise in Africa continental. Forecasts suggest that, by 2050, up to one-third of the global youth population could be living in Africa, up from one-fifth in 2012 (AFDB, 2015). In Sub-Saharan Africa (SSA), where Cape Verde is inserted, the economic growth largely remained static. The region's real GDP per capita in 2000 showed a mere 7% increase compared to the 1960's value (AFDB, 2015).

An OECD (2018) study emphasizes that employment remains a significant challenge in West Africa. According to this study, the lack of jobs in the formal sector, the weak levels of education, and the lack of matching between the jobs available and the skills of the population lead to high levels of unemployment, especially among the youth population. OECD (2018) states that to promote inclusive growth, it is crucial to focus the development strategies on three different sectors: a better interconnection between the rural and the urban areas, improvement of local products by encouraging companies to collaborate, and, lastly, an upgrade at the institutional level, both on companies and also on the tax system of the country.

When adapted to the local context, active labour market policies can play a crucial role in addressing these challenges. Betcheman and Khan (2018) argue for unconventional interventions and emphasize improving skills and training for the young African population. They propose categorizing interventions into five areas: employment creation, skills development, employment services, entrepreneurship, and agriculture.

Regarding employment creation, the aim is to improve the labor demand for youth through public works programs and wage subsidies. Public works have proven their success in

increasing employment and earnings; however, they need to provide skills improvement. Regarding the wage subsidies, young people have more difficulty establishing themselves in the labor market since they are perceived as needing more skills and experience, and this type of hiring incentive will allow them to enter the market.

As for the second program mentioned above, which is the most common type of intervention, it provides the required education and training for the youth to enter the labor market.

Employment services correspond, for example, to job search assistance. This type of program improves the functioning of the labor market, allowing for better circulation of information in the market and leading to better matching between job seekers and employers.

Entrepreneurship interventions address two goals. The first is to support self-employment in a way that leads to poverty reduction, usually through microfinance. The second objective is encouraging young people to engage in entrepreneurial activities, not through microfinance support for their livelihood, but through advising on their financial and technical needs.

The final intervention, on agriculture, aims to support farm initiatives in developing countries and improve the livelihood in agriculture, considering that this activity is one of the most crucial in the economy of sub-Saharan African countries. Despite its relatively low productivity, agriculture still has a critical economic role in the sub-Saharan African economy. Kanu et al. (2014) note that agriculture employs around 57% of Africa's workforce, making it a primary employment sector.

3. CAPE VERDE'S LABOR MARKET AND POLICIES.

3.1. OVERVIEW OF CAPE VERDE'S LABOR MARKET STRATEGY

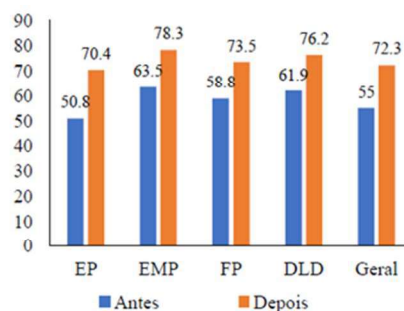
Concluding the analysis of the sub-Saharan African labor market, it is crucial to perform a deep analysis of the labor market of Cape Verde. The Ministry of Finance and Business Promotion of Cape Verde (2022) developed a report to show the impact active labor policies can have on employment and formation. The report starts by explaining that, given the need to

Group part

fulfill 2030 sustainable development with a focus on poverty eradication, better working conditions, more productive work, and dignity for all, Cape Verde adopted several measures from 2018 to 2020. These measures focus on politics, active labor policies, and training, which aims to give people a set of tools from which they will benefit when facing the possibility of entering a dignified and proper job.

The study from the Ministry of Finance and Business Promotion of Cape Verde (2022) provides a quantitative approach and involves all the beneficiaries of the active labor policies between 2018 and 2020; however, no comparison group of non-participants is included. The ALMPs correspond to professional training (*formação profissional*), technical courses (*ensino técnico*), internships (*estágios profissionais*), long-term unemployed insertion projects, and projects promoting entrepreneurship and self-employment. The government implemented five measures: Professional Business Internship Program, Professional Training, Integration of the long-term unemployed, Entrepreneurship, and Technical Education (technical pathway).

The following figure, in Portuguese, shows the percentage of respondents that worked before and after the programs, corresponding to the abbreviations EP, EMP, FP, and DLD for Professional Internship, Entrepreneurship, Professional training, and Long-term unemployment, respectively. The method used to collect information was self-completion via either an online questionnaire or a telephone interview, which resulted in 2004 valid responses, which, according to the report, represent a small number of replies.



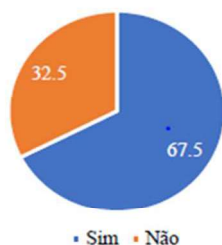
Graphic 1 Percentage of respondents that worked, before and after the program, Cape Verde - 2022
Source: Observatório do Mercado de Trabalho

3.2. IMPACT ANALYSIS OF ACTIVE LABOR POLICIES IN CAPE VERDE

The success rate of Active Labor Market Policies (ALMPs) can significantly fluctuate based on factors such as the policy, how well it is executed, and the local environment. Therefore, a comprehensive understanding of the region's employment market and the distinct challenges that job seekers encounter is crucial. These policies can demand considerable resources, and appropriately directing them is vital to maximizing their benefits.

The report previously mentioned by the Ministry of Finance and Business Promotion of Cape Verde (2022) analyzed the outcomes of these measures. When looking more closely at the traineeship program, the report shows that the IEPF has been developing studies in this area since 2010. During the five years before the report release, INE, in partnership with IEPF/DGE, developed some questions that allow us to calculate the insertion rate of beneficiaries of vocational training programs, which has fed the GAO matrix. On the topic of vocational training, another two studies have also been carried out, in the same timeline as the one just mentioned, on the satisfaction with the qualifications designed, which assesses the quality of the training implemented with the insertion in the labor market.

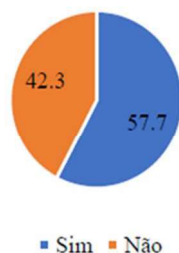
According to the following graphic, most respondents declared that the training contributed to their first job after completing the program, and on the following graphic, 58% declared it was their first job.



Graphic 2 Percentage of participants that said formation contributed for the finding of their first job, Cape Verde 2022

Source: Observatório do Mercado de Trabalho

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Graphic 3 Distribution, in percentage, according to first job, Cape Verde 2022

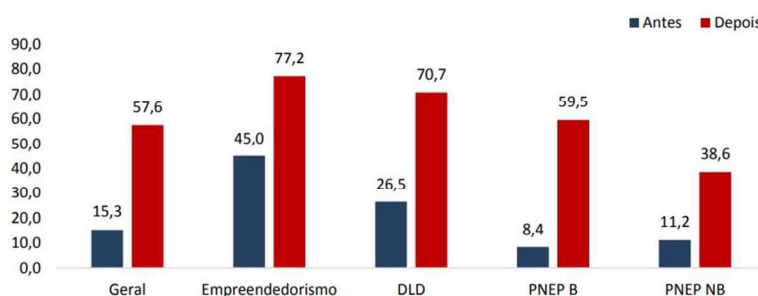
Source: Observatório do Mercado de Trabalho

Previous reports underlining the impactful evaluation of ALMPs in Cape Verde have been conducted, most notably between 2015 and 2017. As previously mentioned, the report focused on the impact of programs/projects for the unemployed, entrepreneurs or individuals seeking professional internships.

During the analyzed period, 75.5% of beneficiaries were in *Programa Nacional de Estágios Profissionais* (PNEP), followed by entrepreneurship and unemployment projects. This is unsurprising considering the strong bet on professional internships in the country.

Most of the respondents underlined in the report were women, granting this group a higher insertion rate after six and twelve months. Nevertheless, analyzing both sexes individually demonstrated that males had a higher insertion rate.

The report's significant findings depict that after the programs, there was a significant increase in the proportion of individuals with jobs between 2015 and 2017, as observed in the following graph. Moreover, all of the beneficiaries experienced higher salaries after the programs.



Graphic 4 Proportion (%) of respondents who have ever worked: before and after the program,

Source: IEEP, estudo de impacto de programas e projetos de emprego, 2018

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ACTIVE LABOR MARKET POLICIES AND INFORMAL LABOR IN CAPE VERDE

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Abstract: The Government of Cape Verde has established a goal to increase dignified labor; however, the high levels of informality can constitute a challenge to reaching high levels of dignified working conditions. While studying the impact that informality should have on the design of active labor market policies in Cape Verde, the present work shows that Cape Verde still faces challenges in applying the ALMPs. However, there is a need for a balance in the impact of informality in ALMPs, considering that these policies are also responsible for helping the country reach a higher level of economic stability and development.

Keywords: Informal labor; Dignified labor; Cape Verde; Active labor market policies; Information and awareness-raising

I want to thank and acknowledge all the support my family has given me throughout my academic and personal journey, always encouraging me to be a better and more fulfilled person. To my boyfriend, who has supported me every step of the way, always by my side to encourage and help me. To my friends, for all the moments we have experienced over the years. I would also like to thank Professor Pedro S. Martins for all his guidance and accompaniment throughout these months. Finally, to my thesis colleagues, thank you very much for these months of mutual help, allowing me to develop more cohesive and in-depth work.

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Index

Index of figures	15
1. Introduction.....	16
2. Concepts review	17
3. Cape verdean labor market	19
4. Informality of the labor market	21
5. Empirical data	26
5.1 methodology.....	26
5.2 survey and regression analysis	27
5.3 in-depth interview summary.....	30
6. Recommendations.....	33
7. Conclusion	34
8. References.....	36
10. Appendix 2 – interview.....	46
11. Appendix 3 – interview answers	47
12. Appendix 4 – survey to the companies analysis	53
13. Appendix 5 – survey to the cape verdean population analysis	57
14. Appendix 6 – demographic data of cape verde.....	61
15. Appendix 7 – description of the variables at study	62

Index of Figures

Figure 1 Informal jobs, Cape Verde (2022)	20
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1. INTRODUCTION

The Cape Verdean Government has been exerting tremendous effort to improve and encourage decent jobs in the country. However, informality continues to be an obstacle to achieving decent work, given that informal workers are not entitled to social security benefits and protections. This does not mean that informality is not a way for the Cape Verdean population to achieve formality, as seen below. However, not all can engage in a transition from informal to formal. Considering this, the present thesis aims to answer "How should labor market informality influence Active Labor Market Policies (ALMPs) in Cape Verde?".

Considering the problem presented in the following pages, it will be studied whether the government's efforts to create decent work are only worthwhile once informality is eradicated. The purpose is to provide insights into what people think of informality and the ALMP in place in Cape Verde. Another point that is at study is the relationship that people perceive exists between informality and emigration, as well as between ALMP and emigration.

This study considers that to achieve change in a country, it is necessary to understand what measures other countries have already taken on the same issue. As such, the research relies on an extensive literature review regarding Active Labor Market Policies and informality worldwide and in Cape Verde. Furthermore, two surveys were developed and distributed through companies and to the population of Cape Verde living in or out of the archipelago country.

The final step of the study consists of an analysis of an interview with the Director General for Employment of Cape Verde, Danilson Borges, to acquire more knowledge on the subject of informality in Cape Verdean labor.

Before evolving to the project's next chapter, it is crucial to highlight and explain the two concepts analyzed in the following pages: active labor market policies and informality. When discussing ALMP, Forslund (n.d.) states that all modern welfare states countries need to

develop "safety nets" for their populations, and one that constitutes these nets is the help given to the unemployed to find jobs by facilitating the change from joblessness to jobs. The measures implemented to achieve this goal are designated active labor market policies. This measure aims to affect job-search behavior by improving communication channels between employers and job seekers and upgrading the skills that a candidate presents.

As for the second concept, the European Union (2023) defined informality, or undeclared work, as "any paid activities that are lawful as regards their nature but not declared to public authorities" (EU, 2023: 7). This type of work has significant economic and social implications, not only by the loss of social security contributions and taxes but also for the safety of the employees. It is said that informal jobs are associated with a higher incidence of work accidents, missed professional development opportunities for workers, unfair competition, and market distortions for businesses.

In the following few pages, the goal is to observe if there exists or can exist a connection between the active labor market policies implemented and the decrease in informality. The hope is that reducing the country's informality figures through the ALMPs in Cape Verde will be possible. Also, based on all the data obtained, it aims to make recommendations regarding the efforts that the Cape Verdean Government can make to decrease informality.

2. CONCEPTS REVIEW

Considering that this dissertation focuses on the relationship between informality and ALMP in Cape Verde, it is necessary to understand the demographic panorama of Cape Verde. The report *Projeções Demográficas de Cabo Verde 2010-2030*, developed by the National Institute of Statistics of Cape Verde (INE CV) (2016), characterized the Cape Verdean population for the year 2023 with an average age of 30,44 years old. For 2023, there are registered 162700 children below 15 years old, 308311 people aged between 16 and 49 years old included, and 104792 people more than 50 years old included.

The *Boletim Estatístico do Sistema de Proteção Social em Cabo Verde*, developed by INE CV (2022), characterized Cape Verde as an archipelago country composed of 10 islands, 9 of which are inhabited. It is considered a small country, with 4033 km² and around 555839 people. One problem this country faces is poverty and social inequalities, with an incidence of global absolute poverty of 26.0% in 2019. The reduction of the unemployment rate from 15% in 2016 to 11% in 2020 caused a positive impact on the poorest population, which led to a reduction of overall poverty from 35.2% in 2015 to 26% in 2019. More recent data collected from the National Institute of Statistics of Cape Verde revealed that for the year 2022, the unemployment rate was 12.1%, while for the youth unemployment rate, using the same source, for the same year, it was 27.3%.

Directing the focus to the active labor market policies that are implemented in Cape Verde, from a report previously mentioned by the *Observatório do Mercado de Trabalho* (2022), it was mentioned that the programs that were implemented in Cape Verde correspond to Professional Internship, Entrepreneurship, Professional training, and Long-term unemployment.

From the information presented in this report, through a performance evaluation based on a before-after analysis, it was possible to learn that the program that had the most significant impact was the Professional Internship, in which the percentage of respondents that worked before and after the accomplishment of the program increased by 19.6%. As for the other programs, the observed increase was similar, with an improvement in employment of 14.8%, 14.7%, and 14.3% in Entrepreneurship, Professional training, and Long-term unemployment, respectively.

An important note when analyzing this data is that Professional Internships is one of the programs primarily invested in by the Cape Verdean Government, as Danilson Borges referred to in the interview that will be further presented. With this, it is necessary to analyze if the

investment made in providing the skills in this program is being translated into the outcomes presented.

It is crucial for developing a country's economy and promoting social inclusion in both developed and developing countries to help connect job seekers to companies. The OECD developed a study, "Connecting People with Jobs" (2018), where it was found that this connection should be made through strengthening work readiness, motivation, and work opportunities. Apart from these three points that aim to help connect people with jobs, the organization also highlights the urgency of helping workers acquire new skills more adaptable to different jobs, reducing the risk of displacement. The organization herself has developed a set of programs intending to complement the ALMPs that countries like Cape Verde were implementing.

The information so far gathered helps to understand the framework of the country that will be studied in the following pages and how an international organization, like the OECD, acts on the subject of the labor market and helps the country's population find adequate jobs for their skills. The following chapter will provide a deeper understanding of the characterization of the labor market in Cape Verde, providing contextualization for the topic of informality and active labor market policies.

3. CAPE VERDEAN LABOR MARKET

After understanding the demographic framework of Cape Verde and the ALMPs in place, it is crucial to take a deeper look at the more visible characteristics of the labor market in Cape Verde. This chapter of the thesis will focus on providing a broad idea of informality, youth employment, and sub-employment in Cape Verde.

As mentioned above, the goal of the Cape Verdean Government consists of providing decent and quality jobs for the population. The following figure explains that 52% of the employment in Cape Verde is in the informal market, 38% part of the non-agricultural sector. Also, although

14% of the informal jobs are in the rural sector, it corresponds to 76% of the jobs in this sector. Regarding the urban sector, 38% of informality corresponds to 43% of the total jobs in this sector. In a developing country like Cape Verde, it is crucial to acknowledge that informality is a path for the poorest to reach stability.



Figure 1 Informal jobs, Cape Verde (2022)

Source: Observatório do Mercado de Trabalho

Changing the topic to youth employment, Betcherman and Khan (2015) focused their study on youth employment in sub-Saharan Africa. The authors start by stating that it is crucial to understand the obstacles to developing effective interventions for youth employment. When considering sub-Saharan Africa, it is withdrawn that the issues related to youth employment are more prominent on the labor supply side, meaning that in these countries, young people have more difficulty finding a job when compared to adults because of the lack of skills and experience obtained from education. Although education is one of the biggest obstacles to youth employment, the research that the two authors did suggests that:

- Poor health and nutrition also limit the potential of young people;
- The youth has limited awareness of the opportunities in the labor market due to their poor information and inappropriate expectations;
- Young entrepreneurs have minimal access to credit;
- Moreover, despite the job security rules in sub-Saharan Africa, the high degree of

informality minimizes the impact of these regulations.

The last characteristic that is important to emphasize is the sub-employment in Cape Verde. The National Institute of Statistics studied the percentage of sub-employment in Cape Verde from 2013 to 2022. In the latest year, there was a rate of 12.6%, corresponding to the smallest value since 2013, 21.7%.

Before starting the next chapter, one important note is that poverty is a factor of extreme importance in Cape Verde, where people look for a way of having stability for the household. With this being said, one idea discussed throughout this paper is whether informality is suitable for families in developing countries, considering that it is a way of subsistence for several families.

4. INFORMALITY OF THE LABOR MARKET

To perform a thorough analysis of labor informality, it is necessary to understand its impact on developing and developed countries and what an economy can do to encourage more engagement in formal labor.

The European Union (2023) performed a study on all 27 EU member states and some of the OECD member states in Europe regarding undeclared work in these countries. The article's starting point is that there is a limitation to informality, which lies in the very definition of this concept. Current definitions of informality focus mainly on the financial motivations of why people engage in labor informality; however, there is a need to focus on the other motivations, like the urge to participate in society by working, the absence of quality services, and the prices. This limitation can be a way of approaching informality from a different perspective and achieving new tools to encourage formality.

Two authors, the EU (2023) and Hazans (2011), during a study of informality across 30 European countries, mentioned that the differences between the profiles of formal and informal workers are country-specific. With this being said, when analyzing labor informality, it is not

only enough to observe the numbers of the informality, but to understand them and find a way of improving formality, it is necessary to observe the social norms and corporate culture, employment protection legislation, and the sectoral composition of the economy that each country possesses.

One way of understanding the motivation of the different parties regarding the engagement in informal labor is to attribute responsibilities to the different stakeholders. When developing tools and measures to improve formality, it will be possible to cover all fronts of the problem, developing a diverse policy mix. When analyzing these drivers, the European Union (2023) concluded that older people have a lower potential to engage in informality; there is a higher chance of men getting involved in informality; there is not found a clear link between informality and education, and "dissatisfaction with the work of public administration, distrust in the authorities, and low tax morale are the most important motivators." (European Union, 2023: 8).

EU (2023) performed an analysis of the mechanisms that are being used to decrease undeclared work, and it was concluded that providing information is the most common intervention; enforcement is a type of intervention that produces a high level of positive outcome when carefully implemented; and simplifying communication increases compliance with few costs of enforcement. However, the European Union concluded that some recommendations were necessary. When dealing with enforcement, it is necessary to provide the population with a contextualization of the measures that will be implemented; that is, the population needs to have all the information they need to cope with the enforcement imposed. Another point that serves as a recommendation is that, as previously said, informality is not a fixed measure; it depends on the conditions of each country and, as such, it is not possible to apply the same degree of enforcement in different countries, and it does have to be country-specific.

According to Fredström, Peltonen, and Wincent (2021), the study of the impact of informality on an economy should be based on the study of informality on entrepreneurial productivity. This article uses 60 countries as the sample, using both developed and developing countries to have a more diverse sample. The authors found that a large informal economy reflects the cognitive and normative institutions responsible for reflecting the practices in the social groups of a company, involving suppliers, customers, and partners.

As such, a large informal economy demonstrates the degree of knowledge these institutions will possess based on their human working force. Apart from the human capital, this type of economy provides entrepreneurs with less access to formal financial and contract-based resources, which reduces the high quality of resources in a country's economy. From the point of view of the workers, their working conditions in informal labor are so poor that the income from the job might be so low that it does not even cover the expenses of basic needs.

In informal labor, the population must gain the skills or knowledge to be productive. "Entrepreneurship productivity captures conditions that can lead to entrepreneurship-driven structural transformation and economic growth" (Fredström, Peltonen, and Wincent, 2021: 1). In other words, the authors found that, in the 60 countries in the study, high informality is a factor that can lead to a decrease in entrepreneurship productivity, and consequently to a minor increase in economic growth.

After considering these three studies, it is essential to evaluate more precisely the African countries, considering the different panorama that developed and developing countries present. Cassim, Lilenstein, Oosthuizen, and Steenkamp (2015), alongside the Development Policy Research Unit (DPRU), conducted a study to understand the relationship between informality and inclusive growth in Sub-Saharan Africa. This study presents another study from La Porta and Shleifer (2014) that shows that registered firms are more productive than unregistered firms, no matter the size of the firms. In 2014, the ratio of value added by informal firms to that

of formal firms was between 1 per cent in the Democratic Republic of Congo and 70 per cent in Cape Verde.

At the beginning of this thesis, it was mentioned that, in developing countries, informality constituted a way for people to provide for their households, even with small incomes. Cassim, Lilenstein, Oosthuizen, and Steenkamp (2015) argue precisely that. These authors state that informal companies provide a short-term solution to household needs. However, if the goal is to provide stability, create dignified jobs, and reduce poverty, increasing the proportion of formal enterprises is crucial. When analyzing informality's impact on growth and jobs in the formal sector, for the workers, formality provides considerable advantages, starting with long-term stability and the possibility of decent jobs. On the other hand, from the perspective of the firms, it represents higher wage costs and less flexibility in the market, facing competition from informal companies.

Cassim, Lilenstein, Oosthuizen, and Steenkamp (2015) analyzed the motivations behind informal labor, but it is necessary to understand how to motivate formality. These authors found three possible ways for this to be possible. The first corresponds to a natural transition, where the governments do not support the informal businesses apart from the space where the daily activities are performed. Two case studies were conducted, one in Kenya in 2011 and another in seven West African countries in 2013. In Kenya, the results have shown that, as they grow, businesses move into the formal sector. In West Africa, the outcome was that external constraints, as opposed to internal ones, are more likely to push a firm to grow and formalize.

The second transition method is through policies that aim to support microenterprises. As a case study, the authors showed that in East Africa, innovations in mobile money transfer, M – Pesa, had a positive impact on microenterprises because they targeted the external constraints that are associated with the firms, causing a reduction of costs, compared to other structures, which led to the success and growth of microenterprises.

Finally, the last set of transition methods is the application of policies that aim to increase the costs of informality so that firms feel the need to formalize. Although the policies aim to increase formality, they can have three different scenarios of unwanted outcomes. First, it can lead to unemployment because the increase in the costs will make the firms leave the market; second, it can make firms incorporate the costs of informality in their business activity; and third, it can be a combination of the two possible scenarios just presented.

At the beginning of this section, Fredström, Peltonen, and Wincent (2021) talk about cognitive and normative institutions and their impact on informality. The International Labor Organization (ILO) (2023), alongside the Government of Cape Verde, studies an innovative approach that facilitates enterprise formalization: the formalization of cognitive and normative institutions. In 2020, along with the ProEmpresa SME Development Agency, the ILO launched a pilot project whose goal was to "assist women entrepreneurs in formalizing their businesses by giving them the tools needed to do so." (ILO, 2023).

These tools correspond to providing information on how and why formalization is essential, the benefits that arise from it, and educating women entrepreneurs on business and financial management. The outcomes of this project show the success of providing information to the population, registering a significant increase in the registration of enterprises through REMPE, from 3745 enterprises in 2016 to 15781 in 2020.

After the highly positive results presented in 2020, in September 2022, the ILO supported the Government of Cape Verde and piloted a "new tool to map formalization incentives, which informed a report on incentives and support services that are in place in Cabo Verde for various categories of micro and small enterprises." (ILO, 2023). This study allows us to identify which market sectors are more likely to formalize when given the appropriate incentives. This mapping of the feasibility study shows what is doable in terms of incentives for enterprises to formalize and what steps need to be taken in terms of partnership agreements with other

institutions to create more support for formalization and strengthen the contribution to economic growth.

The study refers to the seven next steps the International Labor Organization aims to take, but these recommendations should be mentioned in the posted article. What is mentioned is that the operational model of these recommendations is based on a better governance model and business registration. For these to be implemented, the ILO will support the Cape Verdean Government with tools and expertise for the next three years. There was an attempt to get more information about the following steps to be implemented by the International Labor Organization, but this was a failed attempt to contact the organization.

The present chapter provided several insights into understanding informality in several contexts. With such different perspectives on informality, it was possible to understand that it is a factor in the least and most developed countries. However, in the least developed, it is a necessity. Informality in the market allows for some stability for the poorest families. Considering the theoretical part, the next chapter will present the practical section.

5. EMPIRICAL DATA

5.1 METHODOLOGY

Following the presented literature review, it is necessary to practically evaluate the implications of informality on the Cape Verdean population. Two surveys were conducted: one to companies from Cape Verde and another to the general population of Cape Verde. Both of the surveys that were sent were created via Kobotoolbox through the following links, respectively: <https://ee.kobotoolbox.org/x/3GSKNypc> and <https://ee.kobotoolbox.org/x/3MOAXcTm> . Regarding the first survey, 49 anonymous responses were obtained and studied the impact of informality and education. However, the focus will only be directed to informality. This survey was sent via email, LinkedIn, Facebook, Instagram and websites of companies.

The survey conducted on the Cape Verdean population obtained a total of 50 anonymous responses. It was sent via email, LinkedIn, Facebook, Instagram, several Associations of Cape Verdeans in Portugal and the Embassy of Cape Verde in Portugal. To all the people and organizations to whom the survey was sent, they were asked to share it with other people of interest that they might know.

The final research method used to collect information was an interview with Danilson Borges, Director General for Employment in Cape Verde. This last method consists of a semi-structured interview, whose purpose is to obtain an expert's opinion on who can or cannot corroborate the data collected so far.

The surveys will be analyzed through regression analysis using Stata, and the interview will be analyzed qualitatively, describing the expert's answers. The goal is to access some questions of interest that were carefully formulated because the hypotheses that were developed were based on the following questions:

- Are the ALMPs in Cape Verde adequate for the framework of the country?
- Is the Government providing enough support for the formalization of corporations and entrepreneurs?
- Are the skills obtained in the programs from the ALMP, such as professional internships, captivating the participants to search for jobs in a different country where they find the quality of life more suitable?
- How affected is the population by the informality in the market?
- Is the informality in the Cape Verdean market a factor that leads people to consider emigration?
- What can be changed to improve the dignified jobs and decrease the informality in Cape Verde?

5.2 SURVEY AND REGRESSION ANALYSIS

The following section will be divided into two parts: the analysis of the surveys, first concerning the companies in Cape Verde, followed by the survey of the general population of Cape Verde, and then the analysis of the developed hypothesis.

Starting with the survey that concerns the companies, the survey was conducted on 49 companies, 48 of which have consented to respond and be part of this study. It was observed that 37.5% of the companies are part of the Turismo/Hospitalidade sector, which constitutes most of the participants.

Regarding the variables in the study, 78.17% of the participants mentioned that they had difficulties employing new people and that the primary factor for these difficulties relied upon the lack of technical skills and ability to attain specific knowledge of a particular area. 50% of the replies find the ALMPs in Cape Verde reasonably adequate, considering the framework of the country, and 52.08% understand that there needs to be more support for the companies in order for them to formalize. When asked what is the most urgent change that needs to be made to give people access to decent work, 27.08 per cent, which is the highest figure, said that more support needs to be provided to companies. When asked which option (informality or ALMPs) would be more likely to encourage emigration, 60.42 per cent of companies believe that informality is the factor that most encourages emigration.

Considering the second survey, although it was sent through several platforms to people and organizations, the number of responses could have been higher. As such, the data that will now be presented is a small sample of the Cape Verdean population. However, considering the similarity of the responses and the diversity of the data, it is essential to present the survey's conclusions. With this being said, there were 41 responses, of which 40 consented to answer the survey. 67.5% of the participants are from Cape Verde, and the rest are from Portugal, Italy and Germany. 32.5% of the respondents, which constitutes the majority, believe to be reasonably affected by informality, and 42.5% believe that the ALMPs in place are reasonably

adequate to the context of Cape Verde.

As for the support provided by the government to the creation of more dignified jobs, 50% of the participants believe that they are being made few efforts. 50% also believe that the teaching method currently implemented in Cape Verde can lead to increased informality. On informality, 58.97% believe that the ALMPs can encourage the population to emigrate, and 76.92% argue that the high levels of informality encourage the population to emigrate.

Before explaining the hypothesis, the explanation of each of the variables presented is presented in **Table 27 and 28** in the appendix. Considering all the above, in the **first hypothesis**, what is to study is whether informality in Cape Verde encourages the population to look for jobs in other countries where the wages and benefits are superior.

Hypothesis 1: $Informality_emigrate = \beta_0 + \beta_1 directly_informality + \varepsilon; \beta_1 > 0$

The P-value indicates a significant relationship between variables; if it is below 0,05, it is significant. R-squared measures the degree of correlation; the closer to 1, the better. Although the R-squared is not a decisive measure in research papers, it is essential to present this value. Hence, it is possible to understand the correlation between the probability of emigration and the impact of informality. In this case, it was 0.098 and the P-value of 0.052, showing a significant relationship (**Table 22**).

As for the **second hypothesis**, the goal is to understand what companies feel about the Active Labor Market Policies in Cape Verde and if there is a correlation between the sector of the companies and the answers given.

Hypothesis 2: $Company_sector = \beta_0 + \beta_1 perception_ALMP + \varepsilon; \beta_1 < 0$

As for this hypothesis, the R-squared corresponded to a value of 0.068 and the P-value of 0.073. Although the P-value is not below 0.05, it is a meager number, which, with a bigger sample, could translate into a significant correlation (**Table 10**).

The **third hypothesis** that was developed represents the support governments provide to

corporations and the correlation between the perception of the ALMPs and the support provided by the government.

Hypothesis 3.1: $Company_sector = \beta_0 + \beta_1 support_formalization + \varepsilon; \beta_1 < 0$

For this sub-hypothesis, the R-squared had values of 0.005 and the P-value of 0.609, meaning that there is no significant correlation (**Table 11**).

Hypothesis 3.2: $Perception_ALMP = \beta_0 + \beta_1 support_government + \varepsilon; \beta_1 < 0$

In the present sub-hypothesis, the values of R-squared corresponded to 0.226 and the P-value to 0.002, corresponding to a significant correlation between the perception that the population has of the ALMPs in Cape Verde and the perceived support provided by the Government (**Table 24**).

As for the **last hypothesis**, the goal is to show that dignified work, which means less informality, can be cultivated by improving teaching methods.

Hypothesis 4: $Dignified_work = \beta_0 + \beta_1 working_methods + \varepsilon; \beta_1 > 0$

As for the last hypothesis, it was analyzed in both surveys. In the survey to the companies, the R-squared and the P-value had values of 0.046 and 0.142 (**Table 12**), respectively. For the survey to the population, the values were of 0.048 and 0.172 (**Table 23**). Although none are significant, the degree of significance could decrease with a larger sample, showing the correlation between the variables.

The present chapter allowed us to understand that there is a correlation between informality and emigration, the perception of ALMPs and the perceived support given by the Government, and that three other relationships are not significant, but with a larger sample, they would most probably be.

5.3 IN-DEPTH INTERVIEW SUMMARY

For the credibility of this study to be reinforced and for more information on the current theme to be collected, an interview was done with the Director General of the Directorate

General for Employment in Cape Verde, Danilson Borges.

Danilson Borges, as already mentioned, is the Director General of Employment in Cape Verde, which means, according to the interview, that he is responsible for ensuring that "the General Directorate of Employment is a central service, which is integrated into the Ministry of Finance and Business Development, whose objective is the technical and normative integration of developing the attributions in the field of vocational training, employment, entrepreneurship and everything that is Active Labor Policies." (Danilson Borges, 2023).

When talking about informality in the archipelago country, Danilson Borges starts by contextualizing the economic evolution of Cape Verde, saying that it only achieved economic liberalization in the 90s, meaning that until that time, the country was only focused on the state. Although there has been an evolution since then, especially with the creation of financial support for companies and investors, more is needed to ensure a transition to formalization and integration of people in the labor market. As such, the Director General states that, on one side, informality reflects the history of the country and its degree of development. On the other, it corresponds to the result of the measures and policies that have been developed through the years to allow for a better integration of people in the labor market.

Although informality is an issue already being addressed by the Cape Verdean Government, Danilson Borges believes that a significant part of the transition to formality passes by awareness-raising. It is necessary to inform the population of the benefits of the formal market. Danilson Borges gave an example that in the pandemic, the people who were part of the informal market could not receive the protection and benefits created by the government of Cape Verde. Apart from creating information and raising awareness, it is also necessary to create a system that does not hide, which means that it is necessary to formalize the market. However, a parallel activity cannot be created afterwards; the system can not hide relevant information and activities. The interviewee also said that the Cape Verdean people like to get

to know the world and new realities and that, from his perception, informality would not cause incentives to emigrate.

With a change in the topic to ALMPs in Cape Verde, the interviewee mentioned that, through studies of the impact of ALMPs, it was possible to understand that they positively impact the labor market and people receiving a higher salary or even entering their first job. Danilson Borges also mentioned that he did not have any data on the possible correlation between people who are part of the programs the ALMPs and emigration, but this could be an exciting factor to be studied in a future survey of the population. However, he said that young people, for example, in the digital area, work from Cape Verde for companies abroad, such as Portugal, Germany, and the USA.

The Director General of Employment argues that the ALMPs in Cape Verde are adequate to the country's framework, but that does not mean there are no challenges to address. Danilson Borges mentioned that "we have challenges, we have challenges of adapting the training and social offers of the labor market, we have challenges of meeting the needs of companies in a more agile way, and on the other hand, we also have challenges of effectively guiding young people to seek employment, training or entrepreneurship." (Danilson Borges, 2023), but always highlighting that these measures are adequate. Another point mentioned was that the ALMPs help in the transition and reduction of informality, stressing that informality does not exist on its own but is only recognized due to the formalization that has taken place in the labor market.

Approaching the end of the interview, a challenge was made to Danilson Borges. The Director General of Employment had the chance to create a new ALMP or maintain an existing one, and he said that he believes, from conversations he has also had with his colleagues, that Cape Verde has a universe of ALMPs that are suitable for the country and, as such, he would not create a new measure. Instead, he would "reinforce the existing ones, adjust them to the context, and policies always have to be adjusted to the context" (Danilson Borges, 2023). In

addition, he mentioned that it would also carry out reconnaissance to have "information, information, and data and from that point adjust or define in another way." (Danilson Borges, 2023). Danilson Borges finalized the conversation, saying, "Not everything can be solved with the active labor market policies. There has to be economic growth, there has to be economic stability" (Danilson Borges, 2023).

6. RECOMMENDATIONS

Considering all the information presented, it is clear that some changes can and should be made so that the Cape Verdean Government can reach the goal of providing dignified jobs for the population.

The first recommendation is that the Government should be focused not only on the direct impact that the ALMPs are generating but also on the indirect impacts. As such, the advice is to **collect data through surveys** directed to the population. Not only to the people who integrate the programs of ALMPs but also to the general population to understand what they feel can be improved.

From this idea arises the second recommendation: **providing information to the population**. Informality has become a part of the reality of Cape Verde. However, it is necessary to deconstruct this idea that the population has about the normality of informality and start educating them about the benefits that will arise from formality. This can be done by raising awareness in the street, on posters, or even by sending monthly information leaflets to people's homes, which are sent by the ministry, so that people recognize their importance.

Although information and awareness-raising are essential, **enforcement** is also a point necessary to be mentioned. This recommendation only works well when isolated from the one just presented above, and it needs to be molded to the economic context of Capo Verde; however, in order for the population to understand the importance and how crucial the transition

to formalization is, laws need to be applied that are capable of punishing those who are not trying to make this transition.

Active labor market policies in Cape Verde should broaden the range of participants covered by these measures and include **companies as possible participants**. Companies could be integrated into the programs so that they can act as an aid to the Cape Verdean government and help with job placement and training. Considering these companies will be part of the formal market, they would receive added value as they acquire new talent from Cape Verde. Thus, it would be a new incentive for companies in the informal market.

As for the final recommendation, but not less critical, informality is automatically fought through **economic development**. With this, knowing that this recommendation can take years is essential. However, if ALMPs focus more on improving the economic situation of Cape Verde, it will be possible to decrease informality.

The objective of the recommendations presented here is not to undo what the Government of Cape Verde has been doing. However, some improvements can be made, and these recommendations aim to be just that. Some optimizations of already available tools allow a more efficient creation of dignified work.

7. CONCLUSION

This thesis has begun with the question "How should labor market informality influence Active Labor Market Policies in Cape Verde?". After all that has been described, the answer I can provide is that it should influence as much as it should not. But what does this mean?

Although it was already mentioned several times, it is important to emphasize once again that Cape Verde is a developing country. To reduce levels of informality, it is not enough to come up with measures and policies to combat it; the country needs economic stability and development.

I therefore conclude this thesis by saying that informality should influence the ALMPs in

Cape Verde, by sensitizing and informing the population, conducting surveys that study the perceptions of the population, but also by involving companies. However, the ALMPs cannot just focus on this. They have to enable the country to develop economically, provide skills to the population, and enable them to find suitable and decent work as one way of achieving economic stability.

Danilson Borges mentioned that these policies have flaws, and one way to minimize these flaws, like the challenge of integrating young people into the market or implementing ALMPs without solid economic stability, is through the five recommendations in the chapter above. I therefore conclude this thesis by saying that informality should influence the ALMPs in Cape Verde, by sensitizing and informing the population, conducting surveys that study the perceptions of the population, but also by involving companies.

However, the ALMPs cannot just focus on this, and this is where it arises the part where I believe it should not influence. Active Labor Market Policies have to enable the country to develop economically, provide skills to the population, and enable them to find suitable and decent work as one way of achieving economic stability. Enabling this, the level of informality will consequently decrease; nevertheless, it is important to define priorities and promoting economic development needs to be the priority of ALMPs in Cape Verde.

As a final note, carrying out this thesis project has allowed me to gain more knowledge about developing countries that I did not have before. I started this work confident that the ALMPs in Cape Verde needed to be improved because they were not aimed at reducing informality. However, I end this work by saying they must be fully fitted to tackle informality. However, the Government priority when applying these policies needs to be the promotion of the country's economic development and the population's insertion into the labor market.

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9. APPENDIX 1 - SURVEYS

9.1 SURVEY OF THE CAPE VERDEAN POPULATION

Este inquérito é parte de um projeto de Mestrado na Nova School of Business and Economics, focado nas Políticas Ativas de Emprego em Cabo Verde. Peço 3 minutos para responder a questões de escolha múltipla relacionadas à informalidade no mercado de trabalho Cabo-Verdiano. Este estudo é conduzido em colaboração com o Observatório do Mercado de Trabalho e o Ministério do Emprego de Cabo Verde. As respostas são confidenciais e serão tratadas e anonimizadas. Agradeço o seu contributo para a conclusão do projeto de tese.

Consente em responder ao seguinte inquérito?

- Sim

- Não

Qual é a sua idade?

Em que país se encontra a viver, atualmente?

Numa escala de 1 (não afetad@ de todo) a 5 (bastante afetad@) como é que sente que a informalidade no mercado de trabalho de Cabo Verde afeta diretamente o seu dia-a-dia?

1. Não afetad@ de todo
2. Pouco afetad@
3. Razoavelmente afetad@
4. Afetad@
5. Bastante afetad@

Numa escala de 1 (não afetad@ de todo) a 5 (bastante afetad@) como é que sente que a informalidade no mercado de trabalho de Cabo Verde afeta indiretamente o seu dia-a-dia?

1. Não afetad@ de todo
2. Pouco afetad@
3. Razoavelmente afetad@
4. Afetad@
5. Bastante afetad@

Numa escala de 1 (não adequado de todo) a 5 (bastante adequado) como é que percebe as Políticas Ativas de Emprego atualmente aplicadas em Cabo Verde, considerando o panorama do país?

1. Não adequado de todo
2. Pouco adequado
3. Razoavelmente adequado

4. Adequado
5. Bastante adequado
6. Não sei

Numa escala de 1 (não suficiente de todo) a 5 (mais do que suficiente) como é que perceciona os esforços feitos pelo governo para aumentar o trabalho digno em Cabo Verde?

1. Não suficiente de todo
2. Pouco suficiente
3. Razoável
4. Suficiente
5. Mais do que suficiente

Considera que o método de ensino em Cabo Verde pode levar a um aumento na informalidade do mercado de trabalho?

- ☐ Sim
- ☐ Não
- ☐ Não sei ou não tenho opinião sobre este assunto

Considera que as Políticas Ativas de Emprego implementadas em Cabo Verde incentivam as pessoas, após terem as formações, a emigrarem?

- ☐ Sim
- ☐ Não
- ☐ Não sei ou não tenho opinião sobre este assunto

Considera que a informalidade no mercado é um fator decisivo na tomada de decisão relativamente à possibilidade de emigração?

- ☐ Sim
- ☐ Não
- ☐ Não sei ou não tenho opinião sobre este tema

Da sua experiência do dia-a-dia, quais seriam as suas sugestões de Políticas Ativas de Emprego a implementar em Cabo Verde?

Muito obrigada pela sua ajuda e participação!

9.2 SURVEY TO THE COMPANIES

Este inquérito é parte de um projeto de Mestrado na Nova School of Business and Economics, focado nas Políticas Ativas de Emprego em Cabo Verde. Pedimos 3 minutos para responder a questões de escolha múltipla relacionadas à educação e informalidade no mercado de trabalho Cabo-Verdiano. Este estudo é conduzido em colaboração com o Observatório do Mercado de Trabalho e o Ministério do Emprego de Cabo Verde. As respostas são confidenciais e serão tratadas e anonimizadas. Agradecemos o seu contributo para o projeto de tese.

Consente em responder ao seguinte inquérito?

- ☐ Sim
- ☐ Não

Em que setor é que a sua empresa atua?

- ☐ Turismo/Hospitalidade
- ☐ Agricultura
- ☐ Serviços financeiros
- ☐ Construção/Imobiliário
- ☐ Comércio Varejista/Atacadista
- ☐ Tecnologia/Telecomunicações
- ☐ Transporte/Logística

- Administração Pública
- Educação
- Saúde

Qual o número total de colaboradores na sua empresa?

- 1 - 20
- 21 - 50
- 51 - 100
- 101 - 200
- 200+

Costuma ter dificuldades para encontrar candidatos qualificados para vagas de emprego na sua empresa?

- Sim
- Não
- Não tenho a certeza

Tendo em conta que respondeu "Sim" na pergunta anterior, quais são os principais motivos para a falta de candidatos qualificados? (Selecione todas as opções aplicáveis)

- Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria
- Falta de experiência prática e aplicada
- Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico
- Limitações no manuseio e compreensão de ferramentas e tecnologias digitais
- Nível insuficiente de Inglês
- Outros fatores (por favor especifique)

Por favor, especifique os principais motivos, em sua opinião, para a falta de candidatos qualificados

Considera que existem oportunidades de emprego suficientes em Cabo Verde para os recém-formados?

- ☐ Sim, existem oportunidades suficientes.
- ☐ Não, as oportunidades são insuficientes.
- ☐ Não tenho certeza ou prefiro não comentar.

Na sua opinião, como é o nível de preparação dos estudantes que concluem o sistema de ensino de Cabo Verde para ingressar no mercado de trabalho?

- ☐ Eles estão bem preparados e possuem habilidades e conhecimentos relevantes.
- ☐ Estão adequadamente preparados, mas há espaço para melhorias.
- ☐ Estão mal preparados para o mercado de trabalho.
- ☐ Não tenho certeza ou prefiro não comentar.

Quantos novos funcionários é que a sua empresa espera contratar nos próximos dois anos?

- ☐ Nenhum
- ☐ 1 - 5
- ☐ 6 - 10
- ☐ 11 - 20
- ☐ 20+
- ☐ Não sei

Na sua opinião, quais são os aspetos do sistema de ensino de Cabo Verde que necessitam de melhorias para preparar de forma mais eficaz os estudantes para o mercado de trabalho?

Numa escala de 1 (não adequado de todo) a 5 (bastante adequado) como é que percebe as Políticas Ativas de Emprego atualmente aplicadas em Cabo Verde, considerando o panorama do país?

1. Não adequado de todo
2. Não adequado
3. Razoavelmente adequado
4. Adequado
5. Bastante adequado
6. Não sei responder

Considera que corporações e empreendedores recebem os apoios necessários para a formalização dos empregos, por parte do Governo de Cabo Verde?

- ☐ Sim
- ☐ Não
- ☐ Não sei ou não tenho uma opinião sobre o assunto

Da sua perceção do mercado, qual é a alteração mais urgente que tem de ser feita de modo a garantir que as pessoas têm acesso a trabalho digno, em Cabo Verde? (Selecione apenas a que considera mais relevante)

- ☐ Novas Políticas Ativas de Emprego
- ☐ Persistir nas Políticas Ativas de Emprego já existentes
- ☐ Capturar os trabalhadores, de modo a que eles fiquem em Cabo Verde
- ☐ Novos métodos de ensino
- ☐ Mais apoios, por parte do Governo, para as empresas
- ☐ Outra

Se tivesse que escolher, das duas opções abaixo, qual considera que é o fator que mais incentiva a população a imigrar?

- A Informalidade do mercado de trabalho porque leva a que as pessoas não tenham trabalho digno
- As Políticas Ativas de Emprego em Cabo Verde porque, através as competências obtidas por estes programas, as pessoas sentem-se mais capaz de encontrar trabalhos melhores noutros países

Se tivesse a oportunidade, quais seriam as Políticas Ativas de Emprego que escolheria implementar em Cabo Verde, ou que alterava nas já existentes?

Muito obrigada pela sua participação!

10. APPENDIX 2 – INTERVIEW

O presente guião de entrevista tem como objetivo servir de orientação para uma futura entrevista ao Sr. Diretor Geral do Emprego de Cabo Verde, Danilson Borges. A finalidade da presente entrevista passa por adquirir mais conhecimento sobre o tema da informalidade no mercado de trabalho de Cabo Verde e o modo como esta informalidade afeta as Políticas Ativas de Emprego, desenvolvidas pelo Governo Cabo-verdiano. Para além do fomento de conhecimento, a entrevista também serviria como modo de captação de uma maior veracidade para a tese que se encontra a ser desenvolvida, visto que o entrevistado é um *expert* na matéria em questão. É de realçar que, caso o Sr. Diretor Geral do Emprego o permita, a entrevista será gravada de modo a facilitar a retenção de toda a informação. Caso não haja consentimento na gravação, tudo o que for referido será transcrito ao mesmo tempo, de modo a evitar perda de informação.

Entrevista

1. Antes de mais, gostaria de lhe pedir que explicasse, brevemente, quais são as funções que protagoniza diariamente, no papel de Diretor Geral da Direção Geral do Emprego de Cabo Verde.
2. Considera que a informalidade constitui um problema, uma falha, no mercado de trabalho cabo-verdiano, ou é apenas um reflexo do nível de desenvolvimento do país?
3. As Políticas Ativas de Emprego em Cabo Verde fornecem aos participantes, através da sua participação em programas como os estágios profissionais, um conjunto de competências que os mesmos não possuíam previamente. Considera que após obterem estas competências os participantes se sentem mais motivados a procurar emprego noutros países, onde entendem que os benefícios e os salários poderão ser melhores?
4. Olhando também para a informalidade em Cabo Verde, diria que a mesma poderá ser um fator que motiva a população a procurar empregos em outros países onde a

informalidade seja menor?

5. Olhando para as PAE de Cabo Verde, acha que estas estão adequadas às características do mercado de trabalho do país?
6. Olhando para o mercado de trabalho em Cabo Verde, poderá dizer-se que os esforços que o governo está a fazer para criar trabalho digno, através das PAE, serão em vão enquanto a informalidade não for erradicada?
7. Finalizando, se hoje lhe fosse pedido para implementar uma PAE em Cabo Verde, manteria as atuais ou escolheria uma nova?

11. APPENDIX 3 – INTERVIEW ANSWERS

1. Antes de mais, gostaria de lhe pedir que explicasse, brevemente, quais são as funções que protagoniza diariamente, no papel de Diretor Geral da Direção Geral do Emprego de Cabo Verde.

Bom, como já sabe o meu nome é Danilson Fernando Borges Tavares, sou diretor geral do emprego e tenho como principal função que a direção geral do emprego seja um serviço central, que está integrado no Ministério das Finanças e do Fomento Empresarial, que tem como objetivo a integração técnica e normativa de desenvolver as atribuições no domínio da formação profissional, do emprego, do empreendedorismo e tudo o que seja as Políticas Ativas de Emprego. Encube a direção geral a liderança de todo o ecossistema da formação profissional, no seu todo das PAE. É um serviço técnico, estratégico e de formulação de PAE, e também assegurar a adequação das formação profissional à realidade do mercado de trabalho, desenvolvendo um conjunto de instrumentos necessários, a procura e por outro lado garantir a integração e inserção dos jovens no mercado de trabalho.

2. Considera que a informalidade constitui um problema, uma falha, no mercado de trabalho cabo-verdiano, ou é apenas um reflexo do nível de desenvolvimento do país?

Eu acho que a informalidade tem os dois lados. A informalidade é provocada por um conjunto de burocracias, que é a própria economia, o próprio estado ou sistema tem, que as pessoas têm essa necessidade de ter o seu rendimento e ter a sua autonomia e procurar subsistema então por vezes encontram uma saída através da informalidade, desenvolvendo uma atividade económica paralela. Em Cabo Verde têm sido feitos esforços no sentido de assegurar, ou melhorar, de garantir por um lado a transição de informal para formal. Em Cabo Verde foi criado um regime especial, a que chamamos muito de REMPE, que é um imposto unificado que disponibiliza um conjunto de serviços facilitado, permitindo assim o registo e a integração. Só para ter noção, as empresas que estão no regime do REMPE pagam 4% ao ano, do volume de negócio, não tem uma taxa... ou seja, as condições fiscais é muito diferente de países que têm uma contabilidade organizada. Então, por um lado sim, a economia cabo-verdiana também tem o seu registo e o seu histórico, porque Cabo Verde é um país que teve a sua independência em 1975 e um país com uma base, digamos assim, a partir dos anos 90 aconteceu a liberalização da economia, ou seja, era um país em que a atividade económica, até aos anos 90 era concentrada no estado, não havia desenvolvimento forte do sector privado, então a partir desse período, com a liberalização da economia, sim, houve uma evolução, sobretudo em criar as condições de acesso a financiamento para que as empresas, os investidores ou os empresários, possam suportar o desenvolvimento das suas ideias, mas também todo este crescimento nem sempre é suficiente para garantir a transição ou a integração. Então, agora a informalidade que temos é um reflexo. Por um lado é o reflexo da realidade, das medidas e das políticas implementadas ao longo desse período, mas analisando também de forma pragmática a situação da informalidade, também está no outro campo que é a consciencialização, que isto temos de trabalhar muito. Na questão da informação e nos benefícios da formalização, dos benefícios que obtêm da formalização em fazer, por exemplo, a pandemia foi um exemplo das pessoas que estão na informalidade não conseguiram ter acesso a um conjunto de benefícios, ou impostos, ou proteções, em termos da

criação de impostos de trabalho, que o país criou ou disponibilizou durante esse período, então o trabalho é na formação, na capacitação e na consciencialização dos benefícios. E depois criar um sistema que não esconde, porque não é só formalizar para depois desenvolver uma atividade paralela, mas de um lado é, é a realidade que temos mas também é um reflexo daquilo que é o percurso e o desenvolvimento do país ao longo destes anos.

3. As Políticas Ativas de Emprego em Cabo Verde fornecem aos participantes, através da sua participação em programas como os estágios profissionais, um conjunto de competências que os mesmos não possuíam previamente. Considera que após obterem estas competências os participantes se sentem mais motivados a procurar emprego noutros países, onde entendem que os benefícios e os salários poderão ser melhores?

Primeiro, as PAE são um instrumento forte do estado de cabo Verde, que tem estado a apoiar cada vez mais as PAE, ou seja, nós estamos a olhar não só para a questão dos desempregados mas temos também um foco muito grande naquela que é considerada a categoria dos jovens que estão fora do sistema de emprego, fora do sistema de educação e fora do mercado de trabalho e, a massificação das PAE, a formação profissional, o estágio profissional, está nomeado uma estratégia do governo que é promover a oportunidade para a inserção e integração dos jovens no mercado de trabalho, ou seja, o nosso objetivo é, a partir de uma PAE, os jovens terão uma oportunidade. Uma oportunidade como? Através da disponibilização de ferramentas, de instrumentos que é disponibilizado a partir dessas políticas. Ou seja, um exemplo prático, através do programa “Estágio Profissional”, o jovem, ou qualquer indivíduo, tem a oportunidade de poder, num ambiente real, dentro de uma empresa, aprender e desenvolver as suas habilidades, ou competência que adquiriu durante a sua formação. Terá a oportunidade única de demonstrar o seu talento e mostrar a mais valia que tem para essa empresa, então isso poderá apresentar um valor acrescentado no próprio impacto com a própria empresa em que está inserido. Nós temos estado a fazer o seguimento dessas políticas, nós fazemos inquéritos

anuais, intervalos em 3 a 5 anos, fazemos estudos de impactos, então temos a informação que essas PAE têm contribuído para a integração e inserção dos jovens no mercado de trabalho. Tem demonstrado aos jovens boas empresas que recebem esses jovens, também temos o feedback dos jovens que passam por essas medidas, sobretudo os estágios profissionais, terão melhor desempenho do que aquele que não teve esse percurso. Do feedback que temos podemos afirmar que sim, que contribuem e também, um dado aqui importante, dos inquéritos perguntamos às vezes às pessoas após, ou antes, de beneficiarem das PAE, se já tinham emprego e se isso teve ou não efeito no seu salário, no melhoramento da sua situação contratual. Também temos tido feedback muito favorável nessa questão então podemos concluir que sim, que essas políticas contribuem e se, não posso falar agora sobre jovens que emigram, porque não temos informação e isso é algo que posteriormente podemos também fazer inquéritos ou focos de grupos para poder avaliar isso, mas aqui temos outros programas de formação profissional em que os jovens, por exemplo na área digital, na área da programação, temos jovens a trabalhar de Cabo Verde para as empresas no exterior, Portugal, Alemanha, EUA, a fazer o trabalho obviamente a partir de Cabo Verde.

4. Olhando também para a informalidade em Cabo Verde, diria que a mesma poderá ser um fator que motiva a população a procurar empregos em outros países onde a informalidade seja menor?

A questão da emigração em Cabo Verde é algo que está na génese. O cabo verdiano por natureza tem sempre essa ambição de conhecer vários mundos, de viajar, voltar, regressar, então, eu, do meu ponto de vista, não acredito que isso é o ponto de partida para a emigração. Pontos de partida para a emigração é aquilo que eu expliquei. Está na génese do cabo-verdiano e nós defendemos que queremos preparar o cabo-verdiano para o mundo, que ... isto quer dizer que ele pode ter as competências para trabalhar em Cabo Verde, mas pode e deve estar preparado para trabalhar em qualquer parte. Mas eu não acredito que é o problema da informalidade

porque já teve épocas e momentos da economia com maior informalidade, então, do meu ponto de vista não podemos fazer essa correlação relativamente a essas duas medidas.

5. Olhando para as PAE de Cabo Verde, acha que estas estão adequadas às características do mercado de trabalho do país?

Da minha posição, eu não teria outra resposta e sim, são adequadas e temos desafios. Porque não podemos dizer que conseguimos ter uma resposta ou uma adequação a 100% se não conseguimos gradualmente reduzir a taxa de desemprego, reduzir o número de jovens inativos e reduzir a população inativa e aumentar a taxa de inserção ou empregabilidade dos jovens. Então, olhando para os dados, se reparar nos dados que temos, até 2019 o número de jovens mix situava-se em cerca de sessenta e tal mil jovens. Com a pandemia, estudou-se e situou-se em cerca de oitenta e tal mil, mas hoje, estamos a cinquenta e tal mil. Então, isso, é o impacto do investimento, não só, claro, na própria economia e na retoma económica. Falamos aqui do equilíbrio macroeconómico, da estabilidade agroeconomica do país, mas também é o resultado das PAE, que tem investido fortemente na capacitação, na formação e no empreendedorismo, também, um outro componente muito forte, dos jovens. Então, eu, no meu lugar, diria que sim! Temos desafios, temos desafios da adequação das ofertas formativas e sociais do mercado de trabalho, temos desafios de atender de uma forma mais ágil as questões necessárias das empresas, e por outro lado, também uma orientação eficaz dos jovens para procurar emprego, para a formação ou para o empreendedorismo.

6. Olhando para o mercado de trabalho em Cabo Verde, poderá dizer-se que os esforços que o governo está a fazer para criar trabalho digno, através das PAE, serão em vão enquanto a informalidade não for erradicada?

Não serão em vão porque essas políticas também é um auxiliador para garantir a transição ou diminuição da informalidade e, a informalidade por si só, ela não existe. A informalidade existe por causa da existência da formalidade económica. O que está a ser feito, aqui em Cabo Verde

é porque a economia cabo-verdiana, maioritariamente, é constituída por micro e pequenas empresas, na sua estrutura e o que se está a fazer é garantir que a escala das empresas para que essas próprias empresas depois servirão de clientes, daqueles que são micro ou pequenos. Posso-lhe dar um exemplo muito claro de uma medida. Agora em Cabo Verde temos a fatura eletrónica, com a fatura eletrónica, ... ou seja, o estado, o estado hoje só paga com a fatura eletrónica, isto, qualquer serviço ou produto pelo estado exige uma fatura eletrónica. Isso também é uma medida para garantir que a integração seja, por um lado, está a fazer muito para investir na capacitação dos jovens e tem essa preocupação, da informalidade, então, não só no sistema em que está mas também outros programas, por exemplo, aqui muito em breve haverá em Cabo Verde um programa muito vasto de aceleração para a formalização, com uma abordagem mais pedagógica diferente e também falamos do próprio alargamento, de um programa de alargamento da segurança social, da cobertura da segurança social, às classes mais vulneráveis, que poderá favorecer isso. Mas, do outro lado, temos grandes empresas, temos microempresas, e temos o ecossistema de influenciamento das empresas, a disponibilizar também certo financiamento e tudo isso cria mais empresas, cria mais empresas e a própria economia ainda precisa de uma manobra cada vez mais qualificada, então, daí que o nosso grande objetivo é acelerar ou promover o desenvolvimento das empresas pela via da capacitação da mão de obra qualificada, seja, hoje, outro exemplo, ainda não em todos os setores, mas querem dar em cabo verde a carteira profissional e uma pessoa só pode exercer uma profissão com a carteira profissional e essa pessoa obviamente terá de receber um bom salário, terá de receber o melhor salário, então, na informalidade, sem os direitos, sem a segurança social vai ser difícil também absorver ou a própria economia não rejeitará mas acabará por absorver e promover a transição dessas empresas. Mas, tudo isso, não há fórmula mágica para resolver isso e, o país tem de se crescer, a produtividade da economia tem de se aumentar para todos, nesse caso não pelos benefícios ou rendimentos, porque muitas vezes a

informalidade que as empresas ou as pessoas se queixam e que o rendimento não é suficiente para pagar os impostos ou as taxas que advêm, mas num cenário em que a economia cresce, que aumente o rendimento das pessoas, que aumente a capacidade de consumo da própria economia, haverá mais convergência para a formalização.

7. Finalizando, se hoje lhe fosse pedido para implementar uma PAE em Cabo Verde, manteria as atuais ou escolheria uma nova?

Eu acho que Cabo verde tem praticamente, quando eu já conversei com vários colegas de outros países, já viajei, tem um universo das políticas ativas que se adequa ao seu contexto. Por mim, eu não trazia uma nova política, reforçava as existentes, ajustava ao contexto e as políticas têm de ser sempre ajustadas ao contexto, cada vez mais garantir a taretualização das PAE e sobretudo um maior investimento nas políticas atuais existentes e uma questão muito importante, fazer o reconhecimento para ter informação, informações e ter dados e apartir desse ponto ajustar ou definir de uma outra forma. Mas, a nível do universo das políticas ativas de emprego, Cabo verde tem um bom quadro existente, tem um conjunto de medidas que satisfazem, não a 100% mas, como eu disse, não é tudo que se resolve com as PAE, tem de haver crescimento económico, tem de haver estabilidade mais económica, tem de haver investimentos públicos e privados e, sobretudo, tem de haver produtividade para que a economia possa crescer a alavancar os demais setores de atividade económica

12. APPENDIX 4 – SURVEY TO THE COMPANIES ANALYSIS

company_sector	Freq.	Percent	Cum.
1	1	2.08	2.08
10	2	4.17	6.25
11	3	6.25	12.50
2	5	10.42	22.92
3	18	37.50	60.42
4	4	8.33	68.75
7	2	4.17	72.92
8	9	18.75	91.67
9	4	8.33	100.00

Table 1 Characterization of the sectors of the companies that participated in the survey

Source: survey conducted to the companies

difficulty_finding_associates	Freq.	Percent	Cum.
0	10	20.83	20.83
1	38	79.17	100.00
Total	48	100.00	

Table 2 Characterization of whether companies have difficulty finding associates or not
Source: survey conducted to the companies

reasons_difficulty	Freq.	Percent	Cum.
1	2	5.26	5.26
10	3	7.89	13.16
11	1	2.63	15.79
12	3	7.89	23.68
14	1	2.63	26.32
15	1	2.63	28.95
16	1	2.63	31.58
17	1	2.63	34.21
18	2	5.26	39.47
19	1	2.63	42.11
2	3	7.89	50.00
21	1	2.63	52.63
22	2	5.26	57.89
23	1	2.63	60.53
24	1	2.63	63.16
25	1	2.63	65.79
3	2	5.26	71.05
6	6	15.79	86.84
7	2	5.26	92.11
8	2	5.26	97.37
9	1	2.63	100.00
Total	38	100.00	

Table 3 Characterization of the reasons of the difficulty
Source: survey conducted to the companies

level_of_students_preparation	Freq.	Percent	Cum.
1	2	4.17	4.17
2	16	33.33	37.50
3	24	50.00	87.50
4	6	12.50	100.00
Total	48	100.00	

Table 4 Characterization of the level of preparation of the students
Source: survey conducted to the companies

perception_ALMP	Freq.	Percent	Cum.
1	2	4.17	4.17
2	9	18.75	22.92
3	24	50.00	72.92
4	3	6.25	79.17
5	1	2.08	81.25
6	9	18.75	100.00
Total	48	100.00	

Table 5 Characterization of the perception of the companies regarding the ALMPs in Cape Verde
Source: survey conducted to the companies

support_to_formalization	Freq.	Percent	Cum.
0	25	52.08	52.08
1	7	14.58	66.67
2	16	33.33	100.00
Total	48	100.00	

Table 6 Characterization of the perception of the companies regarding the support the state provides to formalization

Source: survey conducted to the companies

urgent_change	Freq.	Percent	Cum.
1	10	20.83	20.83
2	2	4.17	25.00
3	9	18.75	43.75
4	11	22.92	66.67
5	13	27.08	93.75
6	3	6.25	100.00
Total	48	100.00	

Table 7 Characterization of changes that need to happen urgently

Source: survey conducted to the companies

factor_encourages_emigration	Freq.	Percent	Cum.
1	29	60.42	60.42
2	19	39.58	100.00
Total	48	100.00	

Table 8 Characterization of the two factors that encourage emigration

Source: survey conducted to the companies

new_ALMP	Freq.	Percent	Cum.
-	1	2.08	2.08
.	2	4.17	6.25
...	1	2.08	8.33
Atualização dos Salários para uma re..	1	2.08	10.42
Alterar o currículo do sistema de ens..	1	2.08	12.50
Alterava	1	2.08	14.58
Apoio a estágios para recém licenciad..	1	2.08	16.67
Aproveitar mais os jovens capacitados..	1	2.08	18.75
As políticas de emprego jovem em cabo..	1	2.08	20.83
Atratividade do sistema de formalidade	1	2.08	22.92
Aumento salário mínimo; Melhorias a n..	1	2.08	25.00
Criar programas de incentivo para os ..	1	2.08	27.08
Dar oportunidade aos que não tem expe..	1	2.08	29.17
Despolitizar, formação e estágio prof..	1	2.08	31.25
Empresas universitárias orientadas pe..	1	2.08	33.33
Facilitar o primeiro emprego	1	2.08	35.42
Formação pratico em contesto de traba..	1	2.08	37.50
Formação tecnica direccionada	1	2.08	39.58
Investiria mais na formação profissio..	1	2.08	41.67
Maior liberação do mercado nacional, ..	1	2.08	43.75
Maiores e mais longos incentivos ás e..	1	2.08	45.83
Medidas de políticas que cria mais em..	1	2.08	47.92
Muita diploma sem formação real!	1	2.08	50.00
Não estou por dentro das politicas	1	2.08	52.08
Não existe proteção e valorização dos..	1	2.08	54.17
Não tenho opinião sobre isso	1	2.08	60.42
Obrigar as empresas a pagar salários ..	1	2.08	62.50
Oferecer estímulos adequados para as ..	1	2.08	64.58
Políticas públicas mais eficazes e es..	1	2.08	66.67
Projeto inserção Jovem, empreendedori..	1	2.08	68.75
REDUÇÃO DOS IMPOSTOS	1	2.08	70.83
Serviços eficazes e eficientes de apo..	1	2.08	72.92
Treinamento técnico e vocacional	1	2.08	75.00
Uma formação sólida em todas as profi..	1	2.08	77.08
Vencimento mais alto e curso professi..	1	2.08	79.17
foco em criação de oportunidades no p..	1	2.08	81.25
fomento a estágios curriculares remun..	1	2.08	83.33
mudanças no ensino, formar e capacita..	1	2.08	85.42
não sei	2	4.17	89.58
precisamos criar oportunidades no país	1	2.08	91.67
prática aplicada, proatividade	1	2.08	93.75
seleção de pessoas competentes	1	2.08	95.83
urge modernizar o sistema de ensino e..	1	2.08	97.92
xxxx	1	2.08	100.00
Total	48	100.00	

Table 9 Characterization of the new ALMPS companies understand as necessary
Source: survey conducted to the companies

. reg company_sector perception_ALMP

Source	SS	df	MS	Number of obs	=	48
Model	30.2845337	1	30.2845337	F(1, 46)	=	3.38
Residual	412.382133	46	8.96482898	Prob > F	=	0.0725
				R-squared	=	0.0684
				Adj R-squared	=	0.0482
Total	442.666667	47	9.41843972	Root MSE	=	2.9941

company_sector	Coefficient	Std. err.	t	P> t	[95% conf. interval]
perception_ALMP	-.5573841	.30326	-1.84	0.073	-1.167815 .0530466
_cons	7.226117	1.116825	6.47	0.000	4.978065 9.474168

Table 10 Regression analysis of the hypothesis 2
Source: survey conducted to the companies

. reg company_sector support_to_formalization

Source	SS	df	MS	Number of obs	=	48
Model	2.54372019	1	2.54372019	F(1, 46)	=	0.27
Residual	440.122946	46	9.56789014	Prob > F	=	0.6086
				R-squared	=	0.0057
				Adj R-squared	=	-0.0159
Total	442.666667	47	9.41843972	Root MSE	=	3.0932

company_sector	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
support_to_formalization	-.254372	.4933359	-0.52	0.609	-1.247406	.7386617
_cons	5.540011	.6000001	9.23	0.000	4.332273	6.747748

Table 11 Regression analysis of hypothesis 3.1
Source: survey conducted to the companies

. reg difficulty_finding_associates level_of_students_preparation

Source	SS	df	MS	Number of obs	=	48
Model	.366827438	1	.366827438	F(1, 46)	=	2.24
Residual	7.54983923	46	.16412694	Prob > F	=	0.1417
				R-squared	=	0.0463
				Adj R-squared	=	0.0256
Total	7.91666667	47	.168439716	Root MSE	=	.40513

difficulty_finding_associates	Coefficient	Std. err.	t	P> t	[95% conf. interval]	
level_of_students_preparation	.1189711	.0795793	1.49	0.142	-.0412139	.279156
_cons	.4694534	.223319	2.10	0.041	.0199356	.9189712

Table 12 Regression analysis of hypothesis 4

Source: survey conducted to the companies

13. APPENDIX 5 – SURVEY TO THE CAPE VERDEAN POPULATION ANALYSIS

age	Freq.	Percent	Cum.
18	1	2.50	2.50
21	2	5.00	7.50
24	1	2.50	10.00
25	2	5.00	15.00
26	3	7.50	22.50
27	3	7.50	30.00
28	2	5.00	35.00
29	3	7.50	42.50
31	1	2.50	45.00
32	2	5.00	50.00
34	2	5.00	55.00
35	2	5.00	60.00
36	1	2.50	62.50
37	1	2.50	65.00
38	2	5.00	70.00
39	2	5.00	75.00
40	1	2.50	77.50
41	1	2.50	80.00
43	2	5.00	85.00
45	2	5.00	90.00
46	1	2.50	92.50
48	1	2.50	95.00
51	1	2.50	97.50
53	1	2.50	100.00
Total	40	100.00	

Table 13 Characterization of the age of the respondents

Source: survey conducted to the population of Cape Verde

country	Freq.	Percent	Cum.
Alemanha	1	2.50	2.50
Cabo Verde	23	57.50	60.00
Cabo Verdr	1	2.50	62.50
Cabo verde	3	7.50	70.00
Italia	1	2.50	72.50
Itália	1	2.50	75.00
Portugal	10	25.00	100.00
Total	40	100.00	

Table 14 Characterization of the country of the respondents

Source: survey conducted to the population of Cape Verde

directly_informality	Freq.	Percent	Cum.
1	5	12.50	12.50
2	9	22.50	35.00
3	13	32.50	67.50
4	12	30.00	97.50
5	1	2.50	100.00
Total	40	100.00	

Table 15 Characterization of the direct impact of informality on the participants

Source: survey conducted to the population of Cape Verde

perception_ALMP	Freq.	Percent	Cum.
1	3	7.50	7.50
2	14	35.00	42.50
3	17	42.50	85.00
4	5	12.50	97.50
6	1	2.50	100.00
Total	40	100.00	

Table 16 Characterization of the perception of the ALMPs

Source: survey conducted to the population of Cape Verde

support_government	Freq.	Percent	Cum.
1	5	12.50	12.50
2	20	50.00	62.50
3	13	32.50	95.00
4	2	5.00	100.00
Total	40	100.00	

Table 17 Characterization of the perceived support by the government

Source: survey conducted to the population of Cape Verde

teaching_method	Freq.	Percent	Cum.
0	12	30.00	30.00
1	20	50.00	80.00
2	8	20.00	100.00
Total	40	100.00	

Table 18 Characterization of the impact of the teaching method on informality
Source: survey conducted to the population of Cape Verde

informality_emigration	Freq.	Percent	Cum.
0	5	12.82	12.82
1	30	76.92	89.74
2	4	10.26	100.00
Total	39	100.00	

Table 19 Characterization of the impact that informality has on emigration
Source: survey conducted to the population of Cape Verde

ALMP_emigration	Freq.	Percent	Cum.
0	13	33.33	33.33
1	23	58.97	92.31
2	3	7.69	100.00
Total	39	100.00	

Table 20 Characterization of the impact that ALMPs have on emigration
Source: survey conducted to the population of Cape Verde

new_ALMP	Freq.	Percent	Cum.
Ajudar as pessoas a ficar no país	1	2.56	2.56
Ajudar as pessoas a trabalharem em Ca..	1	2.56	5.13
Ajudar empresas	1	2.56	7.69
Ajudar mais os jovens	2	5.13	12.82
Apoios às empresas	1	2.56	15.38
Aumentar a qualificação	1	2.56	17.95
Aumentar mais centro de emprego, cria..	1	2.56	20.51
Aumentar os empregos	1	2.56	23.08
Aumentar os estágios	1	2.56	25.64
Aumentar salários	2	5.13	30.77
Captar as pessoas a ficarem no país	1	2.56	33.33
Criar uma forma para os jovens que nã..	1	2.56	35.90
Dar apoios aos salários	1	2.56	38.46
Estágios profissionais	1	2.56	41.03
Mais apoio das empresas para novos tr..	1	2.56	43.59
Mais apoio para a formalização	1	2.56	46.15
Mudar a legislação com relação aos es..	1	2.56	74.36
Não focar só nos jovens, apoiar todas..	1	2.56	76.92
Não sei	2	5.13	82.05
Promover o primeiro emprego	1	2.56	84.62
Qualificação de mão de obra,Tarnspare..	1	2.56	87.18
Reter as pessoas em Cabo Verde	1	2.56	89.74
Salários mais altos	1	2.56	92.31
Un salario digno	1	2.56	94.87
Valorizar merito dos recém formados ..	1	2.56	97.44
melhorar a formação profissional, pro..	1	2.56	100.00
Total	39	100.00	

Table 21 New suggestions of ALMPs from the population

Source: survey conducted to the population of Cape Verde

. reg informality_emigration directly_informality

Source	SS	df	MS	Number of obs	=	39
Model	.879120879	1	.879120879	F(1, 37)	=	4.02
Residual	8.0952381	37	.218790219	Prob > F	=	0.0524
				R-squared	=	0.0980
				Adj R-squared	=	0.0736
Total	8.97435897	38	.236167341	Root MSE	=	.46775

informality_emigra~n	Coefficient	Std. err.	t	P> t	[95% conf. interval]
directly_informality	-.1428571	.0712675	-2.00	0.052	-.2872588 .0015446
_cons	1.380952	.2162253	6.39	0.000	.9428383 1.819066

Table 22 Regression analysis of hypothesis 1

Source: survey conducted to the population of Cape Verde

. reg directly_informality teaching_method

Source	SS	df	MS	Number of obs	=	40
Model	2.15561224	1	2.15561224	F(1, 38)	=	1.94
Residual	42.2193878	38	1.11103652	Prob > F	=	0.1717
				R-squared	=	0.0486
				Adj R-squared	=	0.0235
Total	44.375	39	1.13782051	Root MSE	=	1.0541

directly_info~y	Coefficient	Std. err.	t	P> t	[95% conf. interval]
teaching_method	-.3316327	.2380872	-1.39	0.172	-.8136151 .1503498
_cons	3.173469	.2714612	11.69	0.000	2.623925 3.723014

Table 23 Regression analysis of hypothesis 4

Source: survey conducted to the population of Cape Verde

. reg perception_ALMP support_government

Source	SS	df	MS	Number of obs	=	40
Model	8.25714286	1	8.25714286	F(1, 38)	=	11.15
Residual	28.1428571	38	.740601504	Prob > F	=	0.0019
				R-squared	=	0.2268
				Adj R-squared	=	0.2065
Total	36.4	39	.933333333	Root MSE	=	.86058

perception_ALMP	Coefficient	Std. err.	t	P> t	[95% conf. interval]
support_government	.6071429	.1818312	3.34	0.002	.2390449 .9752408
_cons	1.303571	.4397909	2.96	0.005	.4132613 2.193882

Table 24 Regression analysis of hypothesis 3.2

Source: survey conducted to the population of Cape Verde

14. APPENDIX 6 – DEMOGRAPHIC DATA OF CAPE VERDE

Indicadores	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
ISF (criança/Mulher)	2,23	2,21	2,20	2,18	2,16	2,15	1,79	2,11	2,10	2,08
TBN (‰)	18,54	18,16	17,77	17,39	16,99	16,58	16,16	15,74	15,32	14,91
TBR (filha/mulher)	1,09	1,08	1,07	1,06	1,06	1,05	0,87	1,03	1,02	1,02
TLR (filha/mulher)	1,06	1,06	1,05	1,04	1,03	1,03	0,86	1,01	1,01	1,00
Crescimento Anual (%)	1,14	1,12	1,11	1,09	1,08	1,08	1,08	1,08	1,09	1,12
Crescimento Natural (%)	1,05	0,99	0,94	0,88	0,83	0,78	0,72	0,67	0,62	0,57
Saldo Migratório (htes)	479	710	950	1211	1447	1773	2111	2460	2874	3359
E ₀ (H) (ano da vida)	73,8	74,2	74,6	75,0	75,4	75,7	76,1	76,5	76,9	77,3
E ₀ (M) (ano da vida)	80,9	81,1	81,2	81,4	81,6	81,7	81,9	82,1	82,2	82,4
Idade Média (anos)	29,79	30,11	30,44	30,78	31,11	31,47	31,84	32,21	32,60	32,99
Idade Mediana (anos)	28,39	28,90	29,40	29,91	30,43	30,95	31,44	31,93	32,41	32,90

Table 25 Demographic data of Cape Verde, 2023

Source: Projeções Demográficas de Cabo Verde 2010-2030, INE CV 2016

Idade	2022			2023			2024			2025		
	Masc.	Fem.	Total	Masc.	Fem.	Total	Masc.	Fem.	Total	Masc.	Fem.	Total
Nasc	5213	4965	10179	5156	4910	10066	5093	4850	9943	5024	4785	9808
0	5222	4980	10201	5171	4930	10101	5116	4878	9994	5056	4820	9876
1	5262	5020	10282	5215	4975	10190	5165	4927	10092	5111	4876	9987
2	5301	5060	10361	5260	5020	10280	5214	4976	10190	5165	4929	10094
3	5333	5091	10424	5300	5059	10359	5259	5020	10279	5213	4977	10190
4	5353	5109	10462	5330	5087	10417	5297	5056	10353	5257	5017	10274
5	5361	5115	10476	5350	5104	10454	5327	5082	10409	5295	5051	10346
6	5357	5111	10467	5358	5111	10469	5346	5100	10446	5324	5078	10402
7	5335	5091	10426	5351	5105	10456	5353	5105	10458	5341	5094	10435
8	5294	5051	10345	5327	5081	10408	5343	5096	10438	5344	5096	10440
9	5231	4991	10221	5281	5038	10319	5314	5068	10382	5331	5082	10412
10	5151	4916	10067	5219	4979	10198	5269	5026	10295	5302	5056	10359
11	5058	4830	9888	5140	4907	10047	5207	4970	10178	5258	5017	10276
12	4855	4881	9736	5041	4814	9855	5123	4891	10014	5190	4955	10145
13	4770	4795	9564	4825	4848	9673	5011	4781	9792	5093	4859	9952
14	5092	5112	10204	4719	4735	9454	4775	4789	9563	4961	4722	9683
15	5113	5117	10229	5008	5012	10020	4636	4635	9271	4692	4689	9381
16	4941	4924	9865	5000	4983	9983	4897	4878	9775	4525	4502	9027
17	4696	4655	9351	4819	4777	9597	4880	4836	9716	4777	4731	9508
18	4469	4397	8867	4585	4515	9100	4710	4638	9347	4772	4696	9468
19	4504	4403	8907	4387	4286	8673	4505	4404	8908	4631	4527	9158
20	4589	4451	9040	4452	4321	8773	4337	4204	8541	4456	4323	8779
21	4577	4410	8986	4553	4385	8938	4418	4255	8674	4306	4139	8446
22	4572	4225	8796	4557	4356	8913	4536	4333	8868	4404	4204	8608
23	4649	4286	8935	4567	4182	8749	4555	4315	8870	4537	4292	8829
24	4808	4375	9183	4660	4251	8911	4581	4148	8729	4572	4282	8854
25-29	26823	24670	51493	26125	23865	49990	25540	22926	48466	24706	21862	46568
30-34	29510	25924	55433	29724	26077	55801	29483	26041	55524	29335	25935	55270
35-39	26233	22421	48654	27193	23263	50456	28159	24144	52303	29043	24809	53852
40-44	20834	17167	38001	21856	18028	39884	22923	18988	41911	24014	20152	44165
45-49	15459	13739	29197	16317	14225	30543	17502	14975	32477	18449	15580	34029
50-54	12730	12504	25234	12979	12478	25457	13152	12402	25554	13672	12525	26197
55-59	11244	12389	23633	11543	12504	24048	11663	12475	24138	11783	12393	24177
60-64	8249	9906	18156	8902	10425	19327	9558	10948	20506	9880	11182	21063
65-69	4772	7234	12005	5310	7803	13112	5837	8222	14059	6664	8778	15442
70-74	2619	3912	6531	2930	4511	7441	3359	5274	8633	3713	5906	9619
75-79	1783	2797	4580	1759	2734	4493	1672	2472	4144	1736	2541	4277
80-84	1638	2815	4453	1443	2429	3871	1401	2348	3749	1354	2235	3588
85-89	1439	2492	3931	1464	2517	3982	1432	2475	3907	1427	2517	3945
90-94	727	1339	2066	739	1409	2148	730	1434	2163	733	1433	2166
95+	205	653	858	218	696	913	235	741	977	270	843	1113
Total	289155	280355	569509	292976	282827	575803	296818	285276	582095	300694	287707	588401

Table 26 Characterization of the Cape Verdean population, by age and gender

Source: Projeções Demográficas de Cabo Verde 2010-2030, INE CV 2016

15. APPENDIX 7 – DESCRIPTION OF THE VARIABLES AT STUDY

Variable	Characterization of the variable
Consent	Corresponds to whether the participants are willing to answer the survey and "1" corresponds to Yes and "0" to No
Company_sector	Characterizes the company sector. "1" is <i>Administração Pública</i> , "2" is <i>Serviços financeiros</i> , "3" is <i>Turismo/Hospitalidade</i> , "4" is <i>Agricultura</i> , "5" is <i>Construção/Imobiliário</i> , "6" is <i>Comércio Varejista/Atacadista</i> , "7" is <i>Tecnologia/Telecomunicações</i> , "8" is <i>Transporte/Logística</i> , "9" is <i>Educação</i> ,

	and "10" is <i>Saúde</i>
Number_associates	Corresponds to the number of employees of the company. "1" is 1 - 20; "2" is 21 - 50; "3" is 51 - 100; "4" is 101 - 200; and "5" is 200+
Difficulty_finding_associates	Whether companies find difficulties in finding more employees. "1" is Yes; "0" is No; "2" is Not sure
Reasons_difficulty	Represents the reasons of why companies face difficulties when finding associates. "1" is <i>Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria</i> ; "2" is <i>Falta de experiência prática e aplicada</i> ; "3" is <i>Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico</i> ; "4" is <i>Limitações no manuseio e compreensão de ferramentas e tecnologias digitais</i> ; "5" is <i>Nível insuficiente de Inglês</i> ; "6" is <i>Outros fatores (por favor especifique)</i> ; "7" is <i>Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria</i> <i>Nível insuficiente de Inglês</i> ; "8" is <i>Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico</i> <i>Nível insuficiente de Inglês</i> ; "9" is <i>Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria</i> <i>Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico</i> ; "10" is <i>Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria</i> <i>Falta de experiência prática e aplicada</i> ; "11" is <i>Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria</i> <i>Falta de experiência prática e aplicada</i> <i>Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e</i>

pensamento crítico; "12" is Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria Falta de experiência prática e aplicada Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico Limitações no manuseio e compreensão de ferramentas e tecnologias digitais Nível insuficiente de Inglês; "13" is Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria Falta de experiência prática e aplicada Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico Nível insuficiente de Inglês; "14" is Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria Falta de experiência prática e aplicada Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico Nível insuficiente de Inglês Outros fatores (por favor especifique); "15" is Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria Falta de experiência prática e aplicada Limitações no manuseio e compreensão de ferramentas e tecnologias digitais; "16" is Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria Falta de experiência prática e aplicada Limitações no manuseio e compreensão de ferramentas e tecnologias digitais Nível insuficiente de Inglês; "17" is Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria Falta de experiência prática e aplicada Nível insuficiente de Inglês; "18" is Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria Limitações no manuseio e compreensão de ferramentas e tecnologias digitais; "19" is Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria Nível insuficiente de Inglês; "20" is Deficiência em habilidades técnicas e conhecimentos específicos demandados pela indústria Nível insuficiente de Inglês Outros fatores (por favor especifique); "21" is Falta de experiência prática e

aplicada Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico; "22" is Falta de experiência prática e aplicada Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico Limitações no manuseio e compreensão de ferramentas e tecnologias digitais Nível insuficiente de Inglês; "23" is Falta de experiência prática e aplicada Deficiência em habilidades interpessoais, como comunicação, trabalho em equipe e pensamento crítico Nível insuficiente de Inglês; and "24" is Falta de experiência prática e aplicada Outros fatores (por favor especifique)

Level_of_students_preparation	Corresponds to the perception that companies have on students' level of preparation for the market. "1" is <i>Eles estão bem preparados e possuem habilidades e conhecimentos relevantes.</i> ; "2" is <i>Estão adequadamente preparados, mas há espaço para melhorias.</i> ; "3" is <i>Estão mal preparados para o mercado de trabalho.</i> ; "4" is <i>Não tenho certeza ou prefiro não comentar.</i>

Perception_ALMP	Corresponds to how companies perceive the ALMPs in Cape Verde. "1" is <i>1 - Não adequado de todo</i> ; "2" is <i>2 - Não adequado</i> ; "3" is <i>3 - Razoavelmente adequado</i> ; "4" is <i>4 - Adequado</i> ; "5" is <i>5 - Bastante adequado</i> ; "6" is <i>6 - Não sei responder</i>
Support_to_formalization	Corresponds to whether companies feel they receive enough support, from the Government of Cape Verde, to formalize. "1" is Yes; "2" is I do not know about the subject; "0" is No
Urgent_change	Corresponds to the most urge changes that companies feel necessary. "1" is <i>Novas Políticas Ativas de Emprego</i> ; "2" is <i>Persistir nas Políticas Ativas de Emprego já existentes</i> ; "3" is <i>Capturar os trabalhadores, de modo a que eles fiquem em Cabo Verde</i> ; "4" is <i>Novos métodos de ensino</i> ; "5" <i>Mais apoios, por parte do Governo, para as empresas</i> ; "6" is <i>Outra</i>
Factor_encourages_emigration	Corresponds to the factor companies understand are more likely to encourage emigration. "1" is <i>A Informalidade do mercado de trabalho porque leva a que as pessoas não tenham trabalho digno</i> ; "2" is <i>As Políticas Ativas de Emprego em</i>

	<i>Cabo Verde porque, através as competências obtidas por estes programas, as pessoas sentem-se mais capaz de encontrar trabalhos melhores noutros países</i>
New_ALMP	Corresponds to the new ALMP that companies suggested.

Table 27 Characterization of the variables at study in the survey conducted to the companies
Source: Personal development

Variable	Characterization of the variable
Consent	Corresponds to whether the participants are willing to answer the survey and "1" corresponds to Yes and "0" to No
Age	Corresponds to the age of the participants
Country	Corresponds to the country where the participants are currently living on
Directly_informality	Characterizes how directly affected the respondents feel by informality. "1" is 1 - <i>Não afetad@ de todo</i> ; "2" is 2 - <i>Pouco afetad@</i> ; "3" is 3 - <i>Razoavelmente afetad@</i> ; "4" is 4 - <i>Afetad@</i> ; "5" is 5 - <i>Bastante afetad@</i>
Perception_ALMP	Characterizes how the participants perceive the ALMPs in Cape Verde. "1" is 1 - <i>Não adequado de todo</i> ; "2" is 2 - <i>Pouco adequado</i> ; "3" is 3 - <i>Razoavelmente adequado</i> ; "4" is 4 - <i>Adequado</i> ; "5" is 5 - <i>Bastante adequado</i> ; "6" is 6 - <i>Não sei</i>

Support_government	Corresponds to the support the participants perceive that Government provides to them, in order to create dignified jobs. "1" is 1 - <i>Não suficiente de todo</i> ; "2" is 2 - <i>Pouco suficiente</i> ; "3" is 3 - <i>Razoável</i> ; "4" is 4 - <i>Suficiente</i> ; "5" is 5 - <i>Mais do que suficiente</i>
Teaching_method	Characterizes whether participants perceive the Cape Verdean education system as a factor that increases informality. "1" is Yes; "2" is I do not know about this subject; "0" is No
ALMP_emigration	Characterizes the connection between ALMPs and emigration. 1 is Yes; "2" is I do not know about this subject; "0" is No
Informality_emigration	Characterizes the connection between informality and emigration. 1 is Yes; "2" is I do not know about this subject; "0" is No
New_ALMP	Corresponds to the new ALMP that the Cape Verdean population suggested.

Table 28 Characterization of the variables studied in the survey conducted to the Cape Verdean Population
Source: Personal development