

THE 4-4-2

4 NEWS – 4 GLANCES – 2 QUESTIONS ECONOMIC BULLETIN

The accelerating pace of urbanization in Cabo Verde

MAY 2022

INTRODUCTION

The 4-4-2 aims at sharing, at the end of each month, some punctual insights from calculations and analysis made in the past weeks by the UN and its partners on economic development and SDGs. It will stay away from subjective analysis, to focus on objective data, most of them published by the National Statistics Office and the Central Bank.

In this issue:



4 NEWS OF

URBANIZATION HAS BEEN
ACCELERATING IN RECENT
YEARS



4 GLANCES AT

RAPID URBANIZATION AND
ITS IMPACT ON SDG IN
CABO VERDE



2 QUESTIONS TO

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4 NEWS OF ...

Urbanization has been accelerating in recent years

Urbanization has been accelerating in recent years



All islands but Brava and Fogo are now mostly urban, including Santo Antão and São Nicolau. Sal (96%), São Vicente (94%) and Boa Vista (86%) are the most urbanized.

(Source: Census 2021)



74.1% of the resident population lives in urban areas in 2021, an urbanization rate initially projected by the UN for 2048!

(Source : Census 2021 & UNDESA pop. Dynamics 2018)

With important implications for housing and basic services



The number of non-classical buildings (tents, drum houses, etc.) doubled from 2010 to 2021. They represent 2.7% of the buildings in urban areas (up from 2.1% in 2010), and only 0.8% in rural areas (up from 0.4%).

(Source: Census 2021)



Half of urban households still lack access to basic services, as per the SDG Indicator 1.4.1 measuring the share of households with access to **ALL** basic services¹

(Source: Census 2021)

Highlights from the Official Gazette in 2022

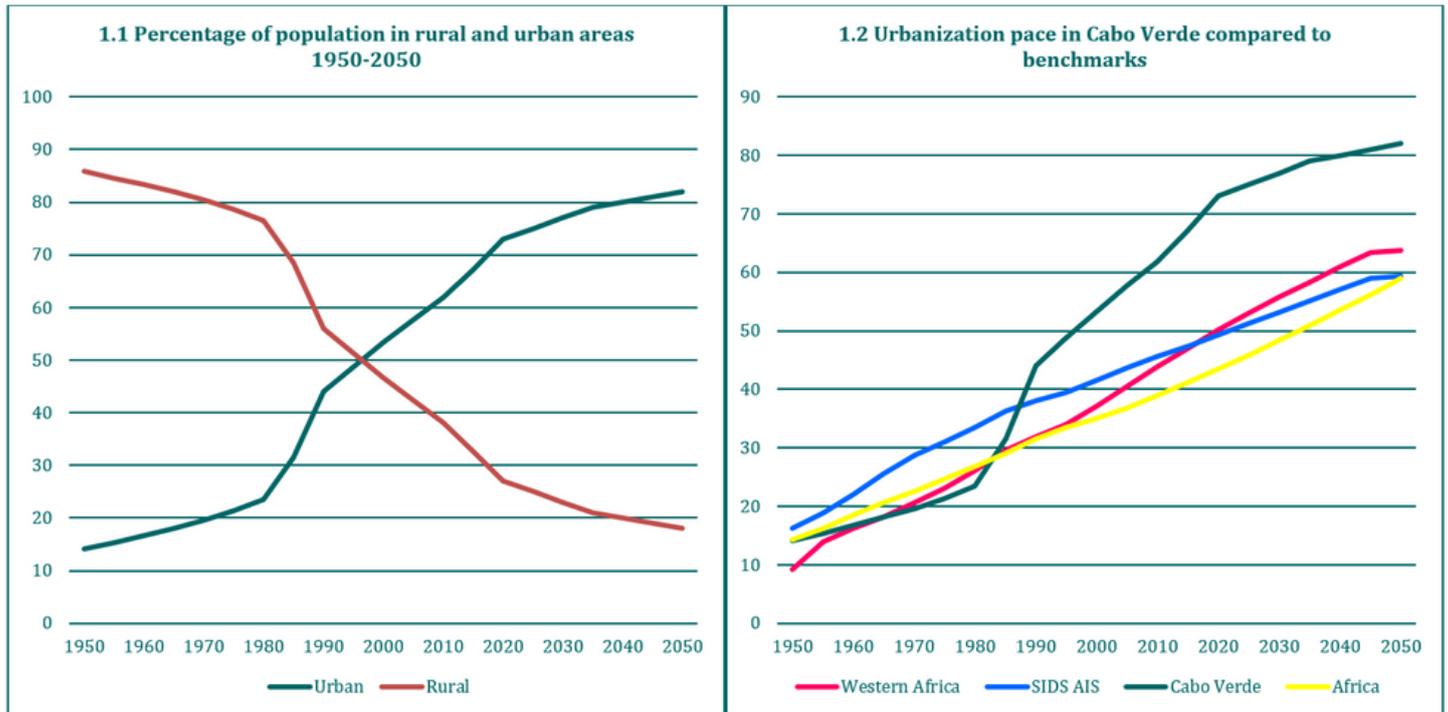
- Cabo Verde's National Housing Plan was approved in January 2022, setting the bases for universal access to decent housing. The plan aims at building new settlements, requalifying existing habitats and updating urban plans ([BO Serie I #2, 07-01-2022](#))
- An Integrated Support Office for the rehousing program for the islands of Sal and Boa Vista was created to boost the resettlement of households living in dwellers in these islands, both the most touristic and the most affected by informal settlements, together with São Vicente ([BO Serie I #32, 25-03-2022](#)).

¹ The indicator includes ALL basic services: WASH, Transport, Health, Education, Social protection, ICT and public and open space (Source: UNHabitat)



4 GLANCES AT...

Continued urbanization, swifter than regional benchmarks



Glance #1

Urbanization has been a constant trend in Cabo Verde since 1950 and has accelerated in the 1980's. In 1998, the share of the population living in urban areas became higher than rural areas. Since then, urbanization continued, although at a slower pace, and the gap will only increase until 2050. By then, more than 80% of the population is expected to live in urban areas. Compared to regional and SIDS benchmark, the urbanization pace is much swifter, with important implications for urban planning, housing, access to social services and sustainable development in general.

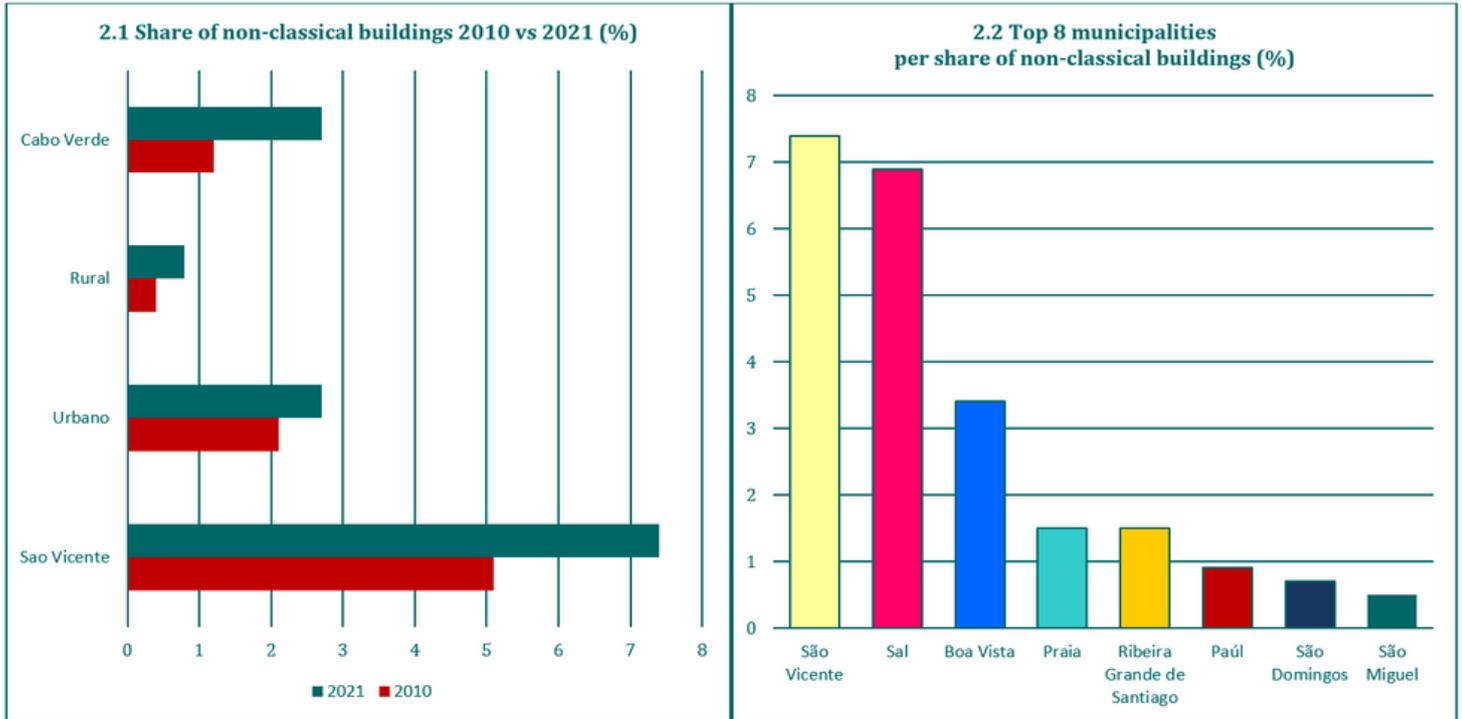
Sources: Author's calculations based on UN DESA, *World Urbanization Prospects – Population Dynamics 1950-2050*, 2018 (consulted in April 2022)





4 GLANCES AT...

Accelerated urbanization makes decent housing a challenge in urban areas



Glance #2

An important dynamic correlated to the accelerated urbanization pace is the housing situation. One of the few human development indicators that worsened from 2010 to 2021 is the share of non-classical buildings in Cabo Verde’s habitat landscape. The number of non-classical buildings (tents, drum houses, etc.) have doubled since 2010, from 1.600 to 3.200, with a higher incidence in the most urbanized islands: São Vicente, Boa Vista and Sal. Beyond the limitations in comfort and wholesomeness, they are associated to lower access to basic services. For instance, Sal is also the island where more households fetch water at the fountain (20%).

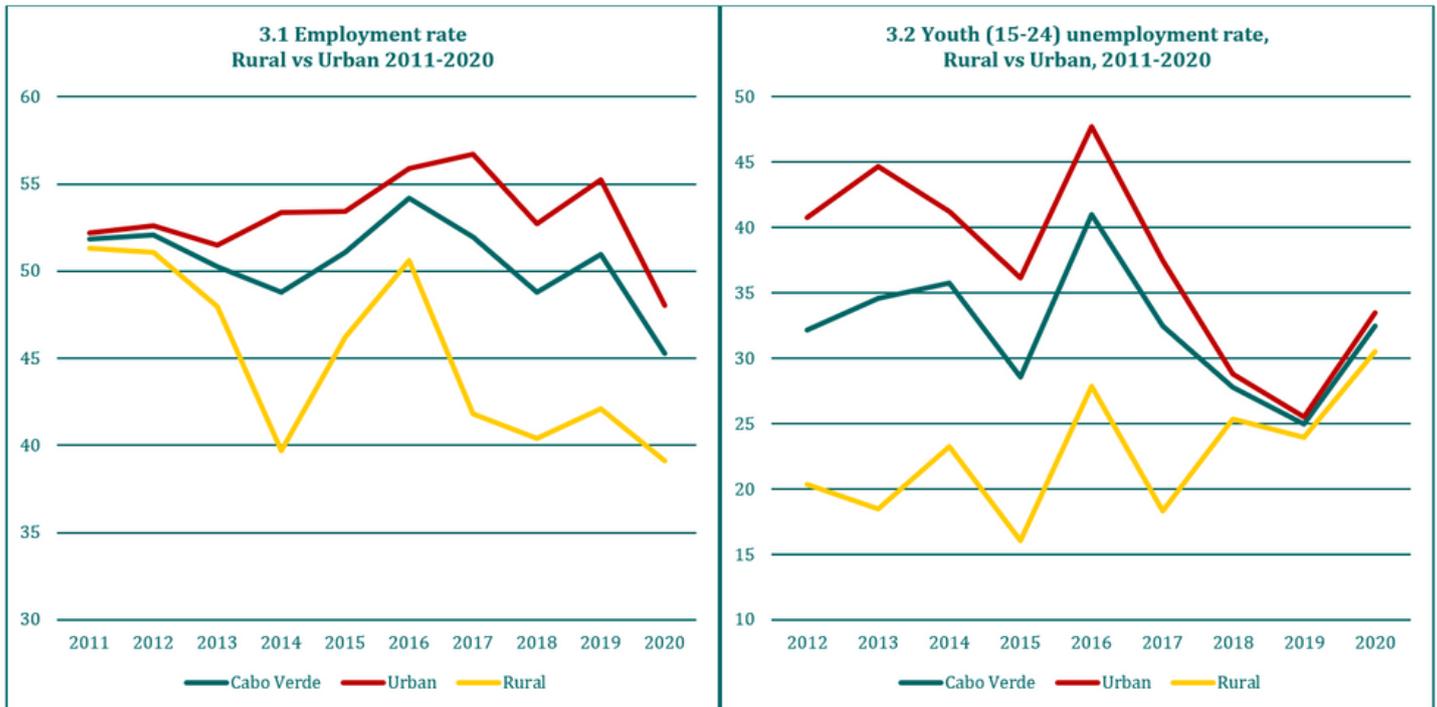
Source: INECV, National Census 2021, 2022





4 GLANCES AT...

Job search drives urbanization, putting pressure on urban employment



Glance #3

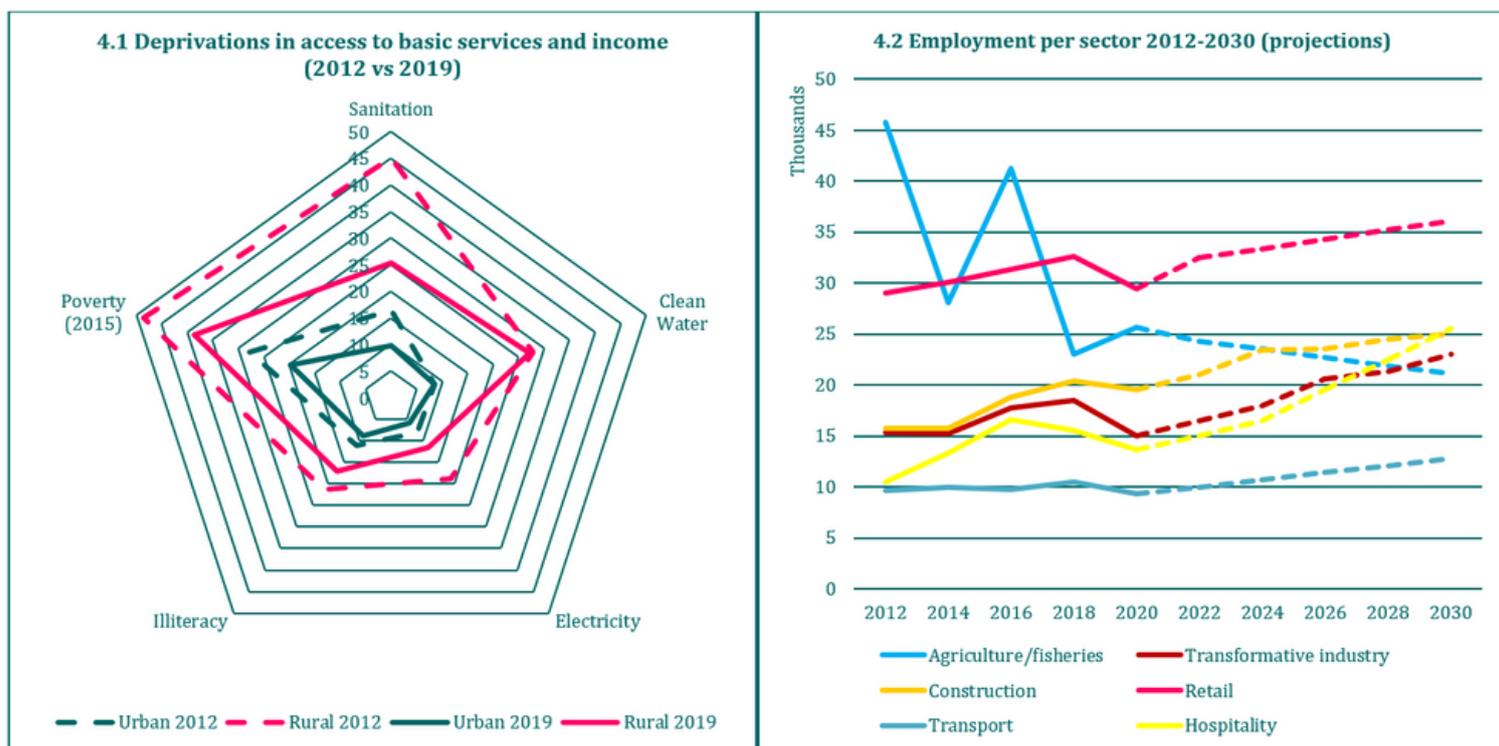
During the last decade, the employment rate has been lower and more volatile in rural than in urban areas. Many thus seek jobs migrating to cities, making employment the biggest driver of urbanization. The phenomenon has a particular impact on youth, for whom unemployment has been much higher in urban areas, and almost as volatile. Four years of drought exacerbated constraints in rural areas, exerting upward pressure on rural migration. This trend was mitigated by the amount of jobs lost during the pandemic in urban areas (13,500 vs 6,000 in rural areas), leading many to go back to their land of origin, at least temporarily. Before COVID, unemployment rate in rural and urban areas were converging, reflecting a decrease in unemployment in urban areas.

Source: INECV, IMC Labour Market 2020, 2021



4 GLANCES AT...

Due to rapid urbanization, addressing deprivations in urban areas is complex



Glance #4

Graph 4.1 shows the evolution in deprivations experienced in rural and urban areas, in 2012 and 2019. A huge difference exists between the dashed and continued pentagons in pink, much less between the pentagons in green. This shows that the access to sanitation, water and electricity, and the literacy rate are much higher in urban areas, yet it has increased much swifter in rural areas: thrice as fast for electricity (+65.9% vs +21.6%) and sanitation (+20% vs 6.9%), twice as fast for literacy (+4.2% vs +2.1%). Graph 4.2 shows the evolution of employment over two decades, with qualitative projections based on foresight for the period 2020-2030. Urban jobs should continue to grow and employment in the primary sector to decrease, to the profit of small industries, construction and services, especially in retail and hospitality.

Source: INECV, IMC Living conditions 2019, 2020 and Poverty estimates, 2021 and author's calculations based on the PEDS II foresight exercise, 2022

2 QUESTIONS TO...

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WHAT ARE THE CURRENT TRENDS OF URBANIZATION IN CABO VERDE, AND THEIR PROBABLE FUTURE EVOLUTIONS?

The urbanization process in Cabo Verde has been increasing and the country has an advanced urbanization rate, particularly in the context of its African sub-region, or even in relation to the continent. This trend is visible when analyzing the results of the latest censuses (2000 to 2021), which show a growing increase in the urban population following the global trend.

Currently about 74% of Cabo Verdeans live in cities[1], and urban population is still growing and expected to reach more than 80% by 2050[2]. This situation represents an opportunity for development, through the economic dynamics generated by the increase in demand, economies of scale and concentration and availability of labor in urban areas; and the social and economic dynamics is also established between urban and rural areas, through the connection of migrants with their land, which encourages the arrival of innovation in rural areas. However, it is also a major challenge, as it places great pressure on access to land and public services.

WHAT IS THE IMPACT OF THESE TRENDS ON THE DIFFERENT SDGS AND HOW TO MITIGATE IT?

Urbanization, when not properly considered, in planning, in the definition of strategies and policies, has profound implications including poverty, inequality, food security, health, education, gender equality, clean water supply and sanitation, energy use, employment, infrastructure, consumption, climate and environmental impact and institutions. In other words, urbanization affects all aspects of the sustainable development goals, not just Goal 11, which explicitly concerns cities. Yet although urbanization is a major challenge for many countries, it also is an opportunity for structural economic transformation and inclusive economic development.

When urbanization is associated with the process of demographic transition, as in the case of Cabo Verde, there is a clear potential that should be exploited. The demographic dividend (a relatively large population of working-age adults relative to the non-working or dependent population) can drive economic growth. This has been the driving force behind growth in some countries. Obviously, it needs to be harnessed, especially through job creation. Taking advantage of urbanization-related opportunities means enhance national development planning, create policies that favor more integrated relations between rural and urban areas and reinforce economic ties, linking urban and rural areas through value chains, that can add value to commodities and create jobs.

[1] INECV, National Census 2021, 2022

[2] United Nations Department of Economic and Social Affairs, Population Dynamics, 2018



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