

CONCLUSION

The Republic of Cape Verde is not exceptional. Micro-states with few or no natural resources are likely to put their territory at the disposal of anyone ready to pay a lump sum, perhaps even including criminal organisations. Islands in the Pacific or the Caribbean have set up free-trade zones and offshore banking centres. In Africa, only Mauritius and the Seychelles have possessed sufficiently sophisticated infrastructure to offer real financial services and attract foreign investment.¹ Other countries have tried in vain to do the same, as in Somalia, where the Transitional National Government established a Somali International Financial Centre in 2003 amidst the ruins of the capital city, Mogadishu.

In such a context, because their domestic economies are highly dependent on the diaspora, island micro-states, enclaves and countries ravaged by war may be forced by the deportation or retrenchment of migrants and the concomitant drop in remittances to consider criminal activities as a source of income. After the attacks on the World Trade Centre on 11 September 2001, for instance, the closure of Somali *hawilad* by the US created more than a humanitarian problem for vulnerable families who relied on financial support from their relatives abroad. Analysts were also concerned about a possible upsurge in drugs and arms trafficking resulting from the loss of remittance income. Since then, most of the *hawilad* companies have resumed their activities. Under pressure from the international community, a Somali Financial Services Association was launched in London in December 2003 to establish an Anti-Money Laundering Compliance Guide for Hawala. Yet self-regulation will hardly prevent criminal groups from abusing the system.

The dilemma can be summed up as follows: Informal private transfers from migrant communities can be used to support armed struggles or terrorist attacks, or to facilitate money laundering. But a crackdown on illegal immigration and the sending of remittances can provoke economic crisis in the homeland, encourage the black market, and force failed states to resort to radical solutions, including war or crime. Founded as remedies for a loss of income, offshore banks and free-trade zones present a global threat, partly because they are much more effective as a means of laundering money than remittances.

To sum up, remittances have both positive and negative consequences.² To believe that they make sustainable development in the home country possible and prevent further migration towards the “western eldorado” is naïve. Remittances cannot replace foreign direct investment, and the capital is usually wasted on showy spending which is not directed towards the development of agricultural or industrial production.

However, to deny the impact of remittances would also be a mistake. Even if African migrants do not have the financial power of the Chinese diaspora or the sophistication of Jewish expatriate organisations, they play a crucial economic and social role in countries where poverty is widespread and remittances are essential to survival. In the context of politics, diasporas are also important actors, although their influence has to be assessed over the long term. Because exiled parties often fail to organise and co-ordinate a common front against an authoritarian regime, it appears that informal migrants’ networks participate only indirectly in encouraging transitions to democracy in their homelands. Eventually, diasporas must be understood for what they are: major vectors for modernisation and technology transfers. One must not overemphasise their capacity to influence governmental policies in either the countries of emigration or of immigration. Therefore the author suggests that three main issues arising in this monograph would repay further research. These are the impact of exile politics, remittances and return migrations.

Notes

- 1 M-A Pérouse de Montclos, *Le charme discret des petites îles, Politique internationale*, 91, 2001, pp 381–401.
- 2 S S Russell, Remittances from international migration: a review in perspective, *World Development*, 14 (6), 1986, pp 677–96.