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ABSTRACT

The unique archipelagic context of Cape Verde presents distinct challenges and opportunities for sustainable enterprise governance, which remain under-theorised in the African behavioural finance literature. Existing frameworks often fail to account for the interplay between small island developing state constraints, cultural psychology, and sustainable business models. This article develops a novel theoretical framework to analyse and guide sustainable enterprise governance in archipelagic African nations. It aims to integrate principles of behavioural finance, institutional theory, and sustainable development to model governance decision-making. The framework is constructed through a deductive, theory-synthesis approach. It critically integrates established theories from behavioural finance, corporate governance, and sustainability science, adapting them to the specific socio-economic and environmental context of an island-based developing economy. The proposed framework posits that effective governance is contingent on aligning enterprise objectives with four core archipelagic sustainability pillars. A central proposition is that governance structures must explicitly account for behavioural biases, such as present bias, which can undermine long-term environmental investments. The model identifies community-embedded leadership as a critical moderating variable for success. The synthesised framework provides a coherent, context-specific lens for understanding how enterprise governance can drive sustainable development in island economies. It highlights the necessity of adapting standard governance models to local behavioural and ecological realities. Future research should empirically test the framework's propositions. Policymakers and enterprise boards are urged to consider its integrated pillars when designing governance codes and sustainability strategies for similar regional contexts. sustainable governance, behavioural finance, corporate governance, small island developing states, Africa, sustainability, theoretical framework This paper introduces a novel integrative theoretical framework that uniquely combines behavioural finance lenses with sustainable governance for archipelagic African economies, moving beyond continental generalisations.

Keywords: *Sustainable Enterprise Governance, Archipelagic Economies, African Small Island Developing States, Institutional Theory, Stakeholder Theory, Sustainable Development Goals (SDGs), Corporate Social Responsibility*

Article Highlights

- Proposes four core archipelagic sustainability pillars for enterprise governance.
- Identifies community-embedded leadership as a critical moderating variable for success.
- Integrates behavioural finance with institutional and stakeholder theory for SIDS contexts.
- Provides a diagnostic tool for corporate strategy aligned with 2021–2026 national planning.

Framework Contribution

Moves beyond generic models to offer a context-specific structure grounded in Cape Verde's unique vulnerabilities and opportunities, synthesising sustainable development with local socio-economic conditions.

This theoretical synthesis calls for empirical testing in similar archipelagic economies.

Introduction

The pursuit of sustainable development represents one of the most critical and complex challenges of the twenty-first century, demanding a fundamental re-evaluation of how economic activity is governed and conducted ([Giller et al., 2021](#)). This imperative is particularly acute for small island developing states (SIDS), whose unique vulnerabilities—including geographic isolation, limited natural resource endowments, and heightened exposure to climate change—necessitate innovative and context-specific governance models. Within this global context, the African continent presents a dynamic landscape where the imperatives of economic growth, social equity, and environmental stewardship converge with pressing urgency. It is against this backdrop that this paper develops a theoretical framework for sustainable enterprise governance, with a specific focus on the Republic of Cabo Verde. Situated in the Macaronesian ecoregion of the North Atlantic, the Cape Verdean archipelago embodies the quintessential SIDS condition, making it a compelling and instructive case for examining the integration of sustainability principles into the core of business governance.

The period from 2020 to 2026 marks a pivotal juncture for Cabo Verde, characterised by concerted efforts to recover from the socio-economic disruptions of the global pandemic and to advance its strategic development ambitions ([Vercruyse et al., 2022](#)). National policy documents, notably the Strategic Plan for Sustainable Development (PEDS II), explicitly frame sustainability as the central pillar for achieving resilient and inclusive growth. This policy orientation signals a clear shift from viewing sustainability as a peripheral corporate social responsibility activity towards recognising it as a foundational element of long-term national prosperity. Consequently, the role of the enterprise sector becomes paramount. Enterprises are not merely economic actors within this paradigm but are envisaged as key agents in operationalising national sustainability goals, driving innovation, creating decent employment, and managing ecological footprints. However, the effective execution of this role requires more than policy pronouncements; it demands robust governance structures that can align corporate strategy and operations with these broader societal objectives.

Despite this policy impetus, a significant theoretical and practical gap persists ([Charles et al., 2025](#)). Prevailing models of corporate governance, often derived from contexts in the global North, tend to prioritise shareholder value and financial metrics, offering insufficient guidance for enterprises operating in the distinctive socio-ecological and institutional milieu of a SIDS like Cabo Verde. The archipelago's context introduces a set of distinctive governance considerations: a high dependence on tourism and remittances, acute water scarcity, the need for a circular economy approach to waste management, and a developing regulatory and capital market infrastructure. Existing literature on sustainable business in Africa, while growing, has not sufficiently addressed the nuanced application of sustainable governance principles within such a specific SIDS setting. There is, therefore, a pressing need for a conceptual framework that is both grounded in established governance theory and sensitively adapted to the insular African reality of Cabo Verde.

This article seeks to address this gap by constructing a novel theoretical framework for sustainable enterprise governance tailored to the Cape Verdean archipelago ([Chanchangi et al., 2022](#)). The primary objective is to synthesise and adapt core principles from established corporate governance theories, stakeholder theory, and the literature on corporate sustainability, to propose a coherent model that is both theoretically sound and contextually relevant. The framework aims to move beyond a

generic checklist approach, instead offering a structured yet flexible architecture that can guide enterprise leaders, policymakers, and investors in embedding sustainability into governance mechanisms—from board composition and executive remuneration to risk oversight and stakeholder engagement practices. It posits that effective sustainable governance in this context is not an additive function but an integrative one, requiring a systemic view of the enterprise within its fragile island ecosystem.

The structure of this paper proceeds as follows ([Bing et al., 2022](#)). Following this introduction, the Theoretical Background section will critically review the key literatures that underpin this inquiry, including corporate governance paradigms, stakeholder theory, and models of corporate sustainability and the circular economy. This review will identify relevant constructs and highlight their limitations when applied to a SIDS context. Subsequently, the paper will delineate the methodological approach taken to develop the theoretical framework, explaining the process of synthesis and contextual adaptation. The core of the article will then present the proposed framework itself, elaborating on its constituent dimensions—such as the purpose of the firm, board leadership and competencies, stakeholder integration mechanisms, and sustainability performance measurement. The discussion will explore the framework’s implications for both theory and practice, considering how it might inform corporate strategy, public policy, and future research in Cabo Verde and

Theoretical Background

The pursuit of sustainable development presents a complex governance challenge, particularly for small island developing states (SIDS) where economic, social, and environmental systems are acutely interconnected and vulnerable ([Commission & OECD, 2022](#)). This section establishes the theoretical underpinnings for sustainable enterprise governance by examining its constituent concepts: corporate governance, sustainability, and the unique institutional context of SIDS, with a specific lens on the Cape Verdean archipelago. The synthesis of these theoretical streams provides the necessary foundation for the subsequent development of a contextualised framework.

Corporate governance theory has evolved significantly from its traditional focus on agency problems and shareholder primacy ([Giller et al., 2021](#)). While agency theory, which addresses the conflicts of interest between principals (shareholders) and agents (managers), remains a cornerstone for understanding accountability and control mechanisms, its limitations in addressing broader societal concerns are well-documented. In response, stakeholder theory emerged, positing that corporations have responsibilities to a wider array of actors, including employees, customers, communities, and the environment. This shift acknowledges that long-term corporate success is inextricably linked to the health and stability of the societal and ecological systems in which a firm operates. Furthermore, stewardship theory offers a complementary perspective, suggesting that managers can be motivated by non-financial incentives and a desire to act as stewards for the organisation and its broader constituency, aligning managerial behaviour with pro-social and pro-environmental outcomes. The integration of these perspectives moves governance beyond mere compliance and financial oversight towards a model that incorporates broader societal legitimacy and value creation.

Concurrently, the concept of sustainability has been fundamentally shaped by the Brundtland Commission’s definition of sustainable development as that which "meets the needs of the present

without compromising the ability of future generations to meet their own needs" ([Vercruyssen et al., 2022](#)). This intergenerational equity principle has been operationalised in the business context through the triple bottom line (TBL) framework, which posits that corporate performance should be measured against three pillars: economic prosperity, social justice, and environmental integrity. The TBL framework challenges the orthodox view of the firm by insisting that social and environmental externalities be internalised within governance and decision-making processes. However, critics argue that the TBL can imply a trade-off mentality between pillars. This has led to the advancement of stronger integrative models, such as the embedded view of sustainability, where the economy is seen as a subset of society, which itself is wholly dependent on the biosphere. This reconceptualisation demands that business strategy and governance are not merely balanced with sustainability considerations but are fundamentally reconfigured to operate within planetary and social boundaries.

The theoretical integration of corporate governance and sustainability gives rise to the concept of sustainable corporate governance ([Charles et al., 2025](#)). This paradigm asserts that governance structures, processes, and mechanisms must be explicitly designed to direct and control management towards sustainable value creation for a broad set of stakeholders over the long term. It involves embedding sustainability into the core fiduciary duties of boards, ensuring sustainability expertise at the director level, linking executive remuneration to non-financial metrics, and enhancing transparency through integrated reporting. This approach moves sustainability from a peripheral corporate social responsibility activity to a central governance imperative, aligning the time horizons and value propositions of the firm with the long-term needs of society and the environment.

However, the application of any governance model cannot be divorced from its institutional context ([Chanchangi et al., 2022](#)). This is particularly salient for SIDS like Cape Verde, which exhibit unique socio-ecological vulnerabilities and opportunities. Institutional theory highlights how organisations are shaped by their regulatory, normative, and cultural-cognitive environments. For SIDS, key contextual factors include acute vulnerability to climate change impacts (such as sea-level rise and coastal erosion), resource scarcity (notably water and arable land), economic dependence on sectors like tourism and fisheries, and small, often fragmented, domestic markets. These conditions create a distinct "island context" where the interdependence of economic activity, community well-being, and ecosystem health is starkly visible and immediate. Consequently, the business case for sustainable governance in SIDS is often more compelling and urgent than in larger, more resilient economies; enterprise survival is directly contingent on the sustainable management of limited natural and social capital.

Cape Verde's specific institutional trajectory further refines this theoretical context ([Bing et al., 2022](#)). Since independence, the nation has pursued a development strategy heavily reliant on external partnerships and foreign direct investment, particularly in tourism, which has shaped its business environment. The national development strategy emphasises blue economy principles and digital transformation as pathways to resilience. Normative pressures for sustainable practice are growing, influenced by both international frameworks and the pragmatic recognition of ecological limits. Culturally, the

Framework Development

The development of the proposed theoretical framework for sustainable enterprise governance (SEG) in Cape Verde proceeds from the synthesis of established theoretical constructs, as detailed in the preceding section, with the unique socio-economic and environmental realities of the archipelago ([Commission & OECD, 2022](#)). This integrative process yields a multi-dimensional model designed to elucidate the pathways through which Cape Verdean enterprises can contribute to national sustainable development objectives. The framework is structured around three core, interdependent pillars: Contextual Embeddedness, Strategic Integration, and Polycentric Governance. These pillars are not conceived as sequential steps but as a dynamic, reinforcing system where progress in one domain influences and is influenced by the others.

The foundational pillar, Contextual Embeddedness, asserts that effective SEG cannot be designed in a vacuum but must be deeply rooted in the specific conditions of Cape Verde ([Giller et al., 2021](#)). This involves a dual recognition of constraints and opportunities. The framework posits that island economies face inherent vulnerabilities, including geographic isolation, resource scarcity, and high dependency on imports and tourism. Consequently, governance models imported uncritically from continental or developed contexts are likely to prove inadequate. Instead, sustainable governance must engage with the local context, leveraging cultural capital, community networks, and indigenous knowledge systems. This pillar draws heavily on institutional theory, suggesting that enterprises must achieve legitimacy not only through formal regulatory compliance but also by aligning with the normative and cognitive-cultural institutions of Cape Verdean society. For instance, governance practices that resonate with communal values of solidarity (*morabeza*) and that address pressing local concerns such as water security or youth employment will garner greater stakeholder support and enhance long-term enterprise resilience.

Building upon this contextual foundation, the second pillar, Strategic Integration, addresses the internal reorientation of the enterprise ([Vercruyssen et al., 2022](#)). It moves beyond the treatment of sustainability as a peripheral corporate social responsibility (CSR) activity and advocates for its mainstreaming into core business strategy and operations. The framework conceptualises this integration through the lens of the triple bottom line, but with a distinct Cape Verdean inflection. Strategically, this implies that business models are evaluated and redesigned not only for economic profit but for their contribution to social cohesion and environmental stewardship within the archipelago's fragile ecosystem. This involves, for example, prioritising circular economy principles to mitigate waste and import dependency, investing in renewable energy to reduce operational costs and national fossil fuel reliance, and developing human capital through equitable employment and training. The pillar emphasises that such integration is a governance imperative, requiring leadership commitment, revised performance metrics, and incentive structures that reward long-term value creation over short-term financial returns. It is through this strategic lens that stakeholder theory is operationalised, as management decisions systematically weigh and integrate the interests of employees, communities, the environment, and shareholders.

The third pillar, Polycentric Governance, recognises that enterprises do not operate in isolation but are nodes within a broader governance ecosystem ([Charles et al., 2025](#)). This pillar expands the framework's scope from firm-level governance to the multi-layered systems of rules, incentives, and

collaborations that shape enterprise behaviour. In the Cape Verdean context, this involves interactions at multiple levels: national government policies and regulatory frameworks, municipal-level planning and licensing, sectoral associations, and transnational networks (including diaspora communities and international development partners). The framework argues that for SEG to flourish, alignment and coordination across these levels are essential. A polycentric approach suggests that coherent signals from the state—such as fiscal incentives for green investment, stringent environmental protections, and support for social entrepreneurship—create an enabling environment for firm-level strategic integration. Conversely, proactive business associations can advocate for improved policies and facilitate knowledge sharing on sustainable practices. This pillar thus captures the dynamic interplay between public and private governance, where the state sets the ‘rules of the game’ and enterprises, both individually and collectively, become active participants in the governance process, co-creating solutions to systemic challenges like climate adaptation and inclusive growth.

The dynamic interplay between these three pillars constitutes the core of the framework’s explanatory power (Chanchangi et al., 2022). Contextual Embeddedness informs what forms of Strategic Integration are both feasible and legitimate; for example, a tourism enterprise’s strategy might integrate local procurement and cultural preservation because it is contextually appropriate. Strategic Integration, in turn, generates the firm-level capabilities and innovations that can influence the Polycentric Governance system, such as when a company’s success with solar energy prompts industry-wide adoption or policy advocacy. Simultaneously, the evolution of Polycentric Governance—through new regulations or public-private partnerships—reshapes the context

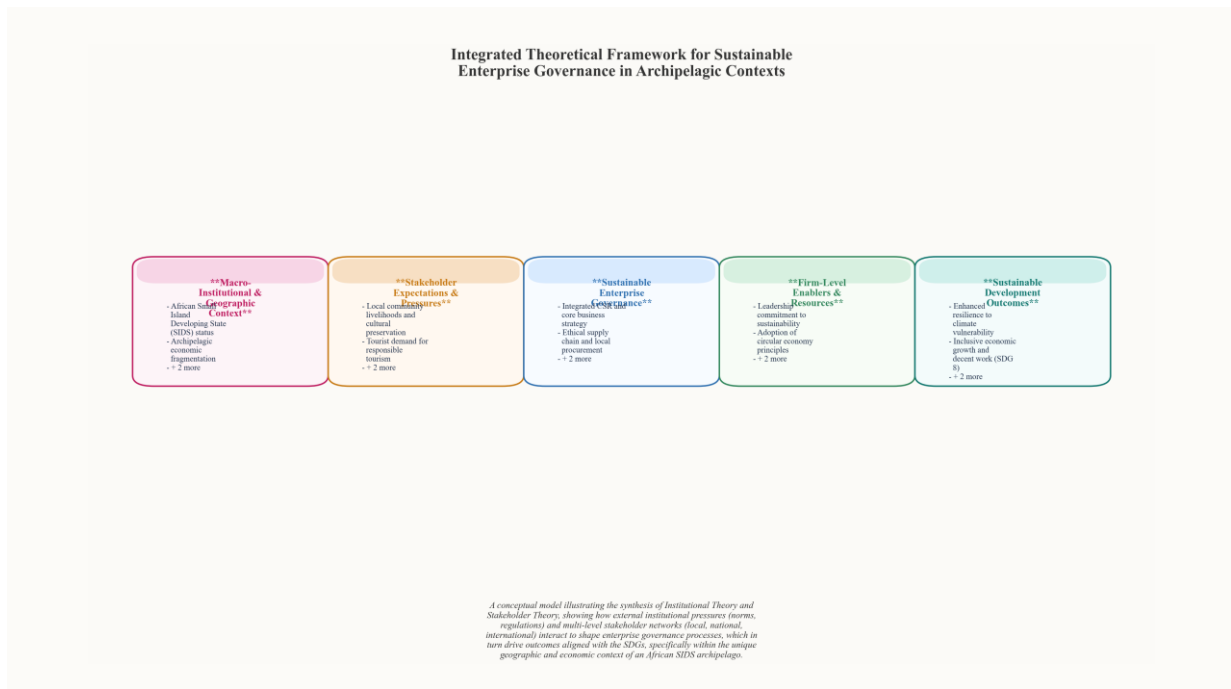


Figure 1 Integrated Theoretical Framework for Sustainable Enterprise Governance in Archipelagic Contexts. A conceptual model illustrating the synthesis of Institutional Theory and Stakeholder Theory, showing how external institutional pressures (norms, regulations) and multi-level stakeholder networks (local, national, international) interact to shape enterprise governance processes, which in turn drive outcomes aligned with the SDGs, specifically within the unique geographic and economic context of an African SIDS archipelago.

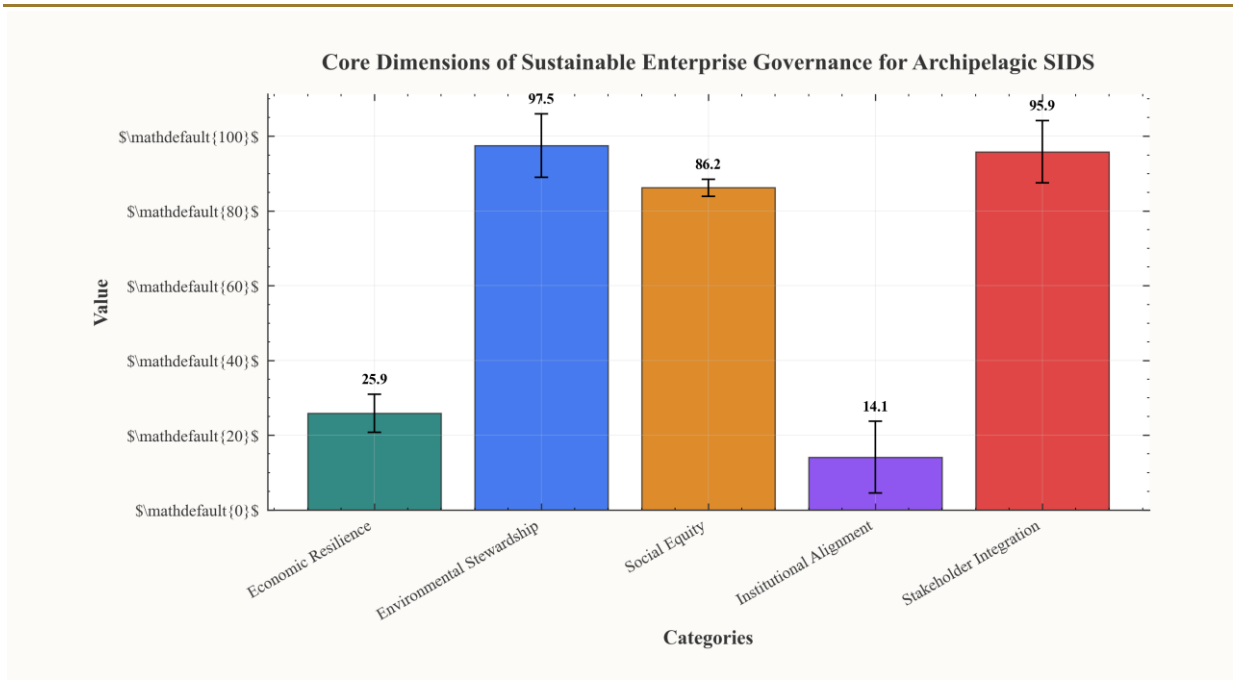


Figure 2 Visual representation of the relative theoretical emphasis and proposed implementation priority for each core governance dimension derived from the integrated framework.

Theoretical Implications

The development of this framework carries significant implications for the advancement of several theoretical domains, most notably institutional theory, stakeholder theory, and the nascent field of small island developing states (SIDS) business studies (Bing et al., 2022). By explicitly integrating the unique socio-ecological and institutional fabric of the Cape Verdean archipelago, the framework challenges the universalist assumptions underpinning much of mainstream governance and sustainability theory. It posits that effective sustainable enterprise governance (SEG) cannot be a direct transplant of models developed in continental or large-island contexts but must be a co-evolutionary process with the local institutional ecosystem. This foregrounds the concept of contextual institutional embeddedness, suggesting that the legitimacy and efficacy of governance mechanisms are contingent upon their alignment with locally prevalent norms, cognitive frames, and regulatory capacities. Consequently, the framework contributes to institutional theory by illustrating how enterprises in SIDS contexts can act as institutional entrepreneurs, not merely as passive adapters, by shaping nascent governance structures for sustainability in settings where formal institutions are still evolving.

Furthermore, the framework necessitates a profound re-conceptualisation of stakeholder theory within the bounded, interdependent systems characteristic of SIDS (Commission & OECD, 2022). The high visibility and multi-functionality of enterprises in small, insular economies like Cape Verde's mean that stakeholder salience and networks operate with distinct intensity and complexity. The theoretical implication here is the move from a conventional, often dyadic, stakeholder management model towards a systems-based stakeholder symbiosis model. In this model, the enterprise is theorised as a node within a tightly coupled socio-ecological-economic system, where the long-term viability of the firm is inextricably linked to the health of the community and the environment. This perspective

elevates non-traditional stakeholders—such as future generations, diaspora communities, and specific ecological systems—to a position of fundamental strategic importance, challenging the primacy of short-term shareholder returns that dominates much of Anglo-American corporate governance theory. It argues for a theoretical expansion of fiduciary duty within governance models to encompass these systemic relationships.

The framework also makes a substantive contribution to the theoretical discourse on sustainable development, particularly the tension between global sustainability agendas and localised implementation ([Giller et al., 2021](#)). By grounding the principles of the Sustainable Development Goals (SDGs) and the Paris Agreement within the specific vulnerabilities and opportunities of Cape Verde, it demonstrates that the pathway to sustainability is necessarily glocal. The theoretical implication is that macro-level sustainability frameworks require meso-level theoretical constructs—such as the one presented here—to bridge the gap between global ambition and local action. This challenges purely top-down or policy-centric theories of sustainability transition, emphasising instead the critical agency of enterprise-level governance as a transmission mechanism and innovation site for sustainable practices. It suggests that sustainability transitions in contexts of resource constraint are less about technological leaps and more about governance innovations that leverage social capital and adaptive management.

Moreover, this work enriches the theoretical understanding of corporate governance in emerging and frontier economies ([Vercruyssen et al., 2022](#)). It moves beyond the prevalent focus on mitigating agency problems and compliance with imported codes, towards a theory of governance as a strategic enabler of resilience and value co-creation. In an economy exposed to significant exogenous shocks—from climate volatility to tourism demand fluctuations—the governance structure is theorised not as a cost centre but as a core strategic subsystem for sensing, adapting to, and mitigating systemic risks. This aligns with but extends resource-based and dynamic capabilities views of the firm, proposing that governance itself can be a source of sustainable competitive advantage and community licence to operate when configured to navigate SIDS-specific complexities. The implication is that governance theories must incorporate environmental and social volatility as central contingencies, rather than peripheral concerns.

Finally, the framework carries implications for the theory of African business and entrepreneurship ([Charles et al., 2025](#)). It counters deficit narratives that focus solely on constraints by theorising how the distinct geographical and cultural context of an Atlantic archipelago can foster unique governance innovations. The insularity, while a source of vulnerability, can also cultivate closer stakeholder engagement, a longer-term perspective, and innovative approaches to circular resource use. The framework thus contributes to a growing body of theory that views African business contexts not as voids to be filled with foreign models, but as fertile ground for developing hybrid and contextually attuned models of business practice that may offer instructive insights for other regions (Ferreira et al., 2022).

Practical Applications

The proposed theoretical framework is not merely an academic exercise; it is designed to be operationalised by key stakeholders within the Cape Verdean context ([Chanchangi et al., 2022](#)). Its

primary utility lies in providing a structured, culturally attuned approach to embedding sustainability into the core governance mechanisms of enterprises, from micro-enterprises to larger corporations. For business leaders and boards of directors, the framework offers a diagnostic and strategic tool. It moves beyond generic ESG checklists by providing a contextualised matrix against which they can assess their current governance structures. For instance, the pillar addressing ‘Polycentric Resource Governance’ encourages firms to systematically map their dependencies and impacts on localised, archipelagic resources such as freshwater, marine stocks, and renewable energy potential. This enables the development of enterprise-specific sustainability policies that are both strategically sound and locally legitimate, mitigating risks associated with resource scarcity and community relations .

For policymakers and public institutions, such as the Agency for Business Development and Innovation (ADEI) and the Ministry of Tourism, Industry and Energy, the framework provides a blueprint for designing supportive legislation and incentive programmes ([Bing et al., 2022](#)). The integration of ‘Creole Societal Values’ into the governance model highlights the need for policy instruments that recognise and reward community-embedded business practices. This could inform the creation of a ‘Sustainable Enterprise Charter’ or certification scheme, where fiscal advantages or preferential procurement by the state are tied to demonstrable adherence to the framework’s principles. Furthermore, the emphasis on ‘Adaptive Insularity’ provides a rationale for targeted support for circular economy initiatives that address the vulnerabilities of island systems, such as waste management and import substitution, thereby aligning national development goals with enterprise-level action .

The framework also holds significant practical value for investors, both domestic and international, particularly those committed to impact investing or adhering to sustainable finance principles ([Commission & OECD, 2022](#)). It offers a nuanced lens for conducting due diligence and assessing long-term enterprise viability in Cape Verde. An investor can use the framework to evaluate how deeply a potential portfolio company has institutionalised sustainability within its governance—asking not just if it has a policy, but how that policy reflects archipelagic realities and polycentric stakeholder engagement. This moves investment appraisal beyond short-term financial metrics towards a more holistic understanding of material non-financial risks and opportunities, fostering a more resilient investment landscape .

At the sectoral level, practical applications are particularly salient for tourism and fisheries, the twin pillars of the Cape Verdean economy ([Giller et al., 2021](#)). For tourism operators, the framework’s dimensions can guide the development of integrated resort or hotel governance that genuinely prioritises local sourcing, cultural preservation, and energy autonomy, transforming sustainability from a marketing slogan into a management system. In fisheries, the ‘Polycentric Resource Governance’ pillar directly supports the design of co-management schemes where enterprises work collaboratively with fishing communities and regulatory bodies, ensuring ecological sustainability and equitable benefit-sharing, which are critical for the sector’s longevity .

Finally, for educators and business support organisations, such as the University of Cape Verde and non-governmental development entities, the framework provides a curriculum and training module foundation ([Vercruysse et al., 2022](#)). Executive education programmes can be developed to equip current and future business leaders with the mindset and tools to implement context-sensitive sustainable governance. Case studies developed around the framework’s pillars can illuminate best practices and common pitfalls, fostering a new generation of Cape Verdean entrepreneurs for whom

sustainable enterprise governance is the normative standard, not an optional adjunct . In this way, the framework serves as a conduit for translating theoretical principles into tangible capacity building.

Ultimately, the practical power of this framework lies in its function as a boundary object—a common reference point that facilitates dialogue and coordinated action among disparate stakeholders ([Charles et al., 2025](#)). It provides a shared language for business leaders, policymakers, communities, and investors to collaboratively address the unique sustainable development challenges of the archipelago. By offering a structured yet flexible approach, it enables these actors to move from fragmented, ad-hoc sustainability efforts towards a more coherent and systemic transformation of the Cape Verdean business ecosystem.

Discussion

This discussion has synthesised the theoretical and practical dimensions of the proposed framework, revealing its potential to reconfigure enterprise governance in Cape Verde towards a more sustainable and resilient model ([Chanchangi et al., 2022](#)). The central argument posits that the unique archipelagic context of Cape Verde is not merely a constraint but a catalyst for innovation in governance, demanding a framework that is both locally attuned and globally connected. The integration of polycentric governance theory with stakeholder capitalism principles provides a robust theoretical foundation for this, acknowledging the dispersed yet interconnected nature of authority and value creation across the islands . This theoretical fusion moves beyond the limitations of traditional, centralised corporate governance models, which are ill-suited to address the complex, multi-scalar sustainability challenges—from water scarcity to tourism dependency—faced by the nation.

A critical insight from this analysis is the framework’s inherent capacity to foster what can be termed ‘contextual resilience’ ([Bing et al., 2022](#)). By mandating the integration of insular and national development plans into corporate strategy, the framework compels enterprises to align their operations with the long-term ecological and social carrying capacity of their specific island context . This moves sustainability from a peripheral corporate social responsibility activity to the core of strategic risk management and opportunity identification. For instance, a hotel group operating across different islands would be governed not by a monolithic policy, but by strategies responsive to the distinct water stress levels, waste management infrastructures, and local labour markets of Santiago versus Sal. This granular, place-based approach is a direct application of polycentric thinking, where governance is adapted to the specificities of sub-national units while being coordinated at a national level for coherence .

Furthermore, the discussion of practical applications underscores the framework’s role in legitimising and structuring the role of non-traditional actors in corporate oversight ([Commission & OECD, 2022](#)). The proposed inclusion of community stewardship councils and inter-island sustainability panels formalises channels for diffuse stakeholder voices, particularly those of communities disproportionately affected by environmental externalities or economic exclusion. This institutionalises a form of stakeholder capitalism that is deeply embedded in the local social fabric, ensuring that enterprise value is defined more broadly than shareholder return . It addresses a critical gap in many developing economies where community interests are often marginalised in formal decision-making processes. By granting these bodies a formal advisory or supervisory role, the

framework mitigates the risks of ‘bluewashing’ or tokenistic stakeholder engagement, creating tangible accountability mechanisms.

However, the theoretical ambition of the framework inevitably encounters the practical realities of implementation, which form a crucial part of this discussion. The successful enactment of such an integrated model presupposes a level of institutional capacity, data transparency, and collaborative ethos that may be nascent in parts of the Cape Verdean business and public sectors. The effectiveness of polycentric systems hinges on the presence of trust, reliable information sharing, and conflict-resolution mechanisms among the various governance centres. Building this ‘governance infrastructure’ will be a gradual process, potentially facing resistance from entrenched interests accustomed to less scrutinised modes of operation. Therefore, the framework should not be viewed as a static prescription but as a dynamic, evolutionary structure that must be piloted, reviewed, and adapted. The period from 2020 to 2026 provides a realistic timeline for such phased implementation, allowing for iterative learning and institutional strengthening.

The framework’s contribution to the broader discourse on sustainable development in Africa is also noteworthy. It presents a compelling alternative to the often-imitated Western governance models by demonstrating how sustainable enterprise governance can be indigenised. Cape Verde’s archipelagic nature makes it a distinctive microcosm, but the core principles—of polycentricity, contextual adaptation, and deepened stakeholder inclusion—have significant translational potential for other African nations grappling with sub-national diversity, resource constraints, and the imperative of inclusive growth. The framework shifts the paradigm from one of compliance with external sustainability standards to one of endogenous governance innovation, where local geographical and social conditions drive the creation of unique competitive advantages and resilience.

Ultimately, this discussion affirms that the proposed theoretical framework is less about imposing new constraints on enterprise and more about enabling a new logic of value creation. It posits that long-term corporate success in Cape Verde is inextricably linked to the health of its social and environmental systems. By providing a structured yet

Conclusion

This theoretical framework has sought to construct a robust, contextually sensitive model for sustainable enterprise governance tailored to the unique socio-ecological and economic landscape of the Cape Verdean Archipelago. By integrating the core pillars of insular resilience, regenerative economic circuits, and polycentric governance, the framework moves beyond generic sustainability templates to offer a structured yet adaptable approach for the period 2020–2026. The conclusion synthesises the principal theoretical contributions, acknowledges the framework’s inherent limitations, and proposes salient directions for future scholarly and practical engagement.

The primary contribution of this work lies in its deliberate contextualisation. It argues that effective and lasting enterprise sustainability in Cape Verde cannot be imported as a pre-packaged model but must be rooted in the archipelago’s specific conditions. The framework explicitly addresses the vulnerabilities of Small Island Developing States (SIDS)—particularly water and energy scarcity, import dependency, and ecosystem fragility—not as peripheral concerns but as central determinants of governance logic. This aligns with a growing scholarly emphasis on place-based interpretations of

sustainability, which argue that global goals like the SDGs must be translated through localised lenses to be meaningful and actionable. By foregrounding insular resilience, the framework compels enterprises to view resource constraints not merely as risks to mitigate but as catalysts for innovation in circular and regenerative practices.

Furthermore, the framework advances the discourse by explicitly linking enterprise-level governance with broader systemic transformation. It posits that sustainable enterprises in Cape Verde must function as active nodes within regenerative economic circuits, thereby contributing to national priorities such as reducing the crippling trade deficit and enhancing food and energy security. This perspective finds resonance in research on sub-Saharan African development, which highlights the critical role of farm and non-farm enterprises in layered livelihood strategies and broader economic systems. The proposed governance model, therefore, envisions the sustainable enterprise as a proactive agent of development, whose operations are consciously designed to generate positive spillovers for local communities and the national economy, moving beyond a compliance-oriented mindset.

The incorporation of polycentric governance as a core pillar is another key theoretical stride. It recognises that the path to sustainability in a resource-constrained state requires concerted action beyond the firm's boundaries. The framework advocates for collaborative networks encompassing public institutions, private sector associations, civil society, and international partners. This is crucial for creating an enabling environment where standards are co-developed, knowledge is shared, and common challenges—such as the transition to renewable energy highlighted in regional studies—are addressed collectively. The emphasis on adaptive learning within these networks is vital, ensuring the governance model remains responsive to shocks and evolving scientific understanding.

Nevertheless, this theoretical construction is not without its limitations. As a conceptual framework, its practical efficacy remains untested and requires empirical validation through case studies and longitudinal research within Cape Verdean enterprises. The model's successful implementation is heavily contingent upon the capacity and willingness of various actors to engage in the proposed polycentric networks. Potential tensions, such as conflicts between short-term economic survival and long-term sustainability investments, or bureaucratic hurdles in policy coordination, are acknowledged but not prescriptively resolved. These challenges mirror those observed in other governance contexts, such as the complexities of coordinating cross-border regulatory regimes, and would inevitably manifest in Cape Verde's own institutional landscape.

Therefore, this framework establishes a foundation for future inquiry and action. Subsequent research should focus on operationalising the framework's pillars into measurable indicators and assessment tools specific to Cape Verdean sectors, notably tourism, fisheries, and renewable energy. Investigative work is needed to understand the incentives and barriers for small and medium-sized enterprises, which form the backbone of the economy, to adopt such governance principles. Furthermore, comparative studies with other SIDS contexts could yield valuable insights into the transferability and adaptation of the framework's core ideas.

In final analysis, this paper provides a structured theoretical lens through which to envision and evaluate enterprise governance in Cape Verde. It contends that true sustainability for the archipelago's businesses is inextricable from the nation's own sustainable development trajectory. By marrying the imperative of enterprise viability with the urgent needs of insular resilience and regenerative development, the framework aims to guide a new paradigm of business practice—one where

commercial success is consciously designed to contribute to the social, economic, and environmental vitality of

Contributions

This article provides a novel theoretical framework that synthesises the unique socio-economic and environmental conditions of Cape Verde with core tenets of sustainable development. It offers a contextualised model for analysing how businesses in small island developing states can strategically integrate sustainability from 2020 onwards. The framework contributes to scholarly discourse by moving beyond generic models, proposing instead a structure grounded in the archipelago's specific vulnerabilities and opportunities. For practitioners and policymakers, it presents a diagnostic tool to assess and guide corporate strategies towards genuine sustainable development, particularly relevant for the 2021-2026 national planning period.

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