

Madagascar made little progress in improving the welfare of the poor during the past decade. The period **2001–2012** has been marked by political, economic, and climatic shocks, which resulted in slow economic growth and limited progress with poverty reduction. Poverty increased between 2001 and 2005 and then started declining slightly, but remained exceedingly high. The national poverty rate was estimated at 70.7 percent in 2012, nearly the same rate as in 2001. When using the international poverty line of \$1.90 per capita per day (in 2011 PPP), poverty is estimated at 77.6 percent in 2012 which places Madagascar among the poorest countries in the world.

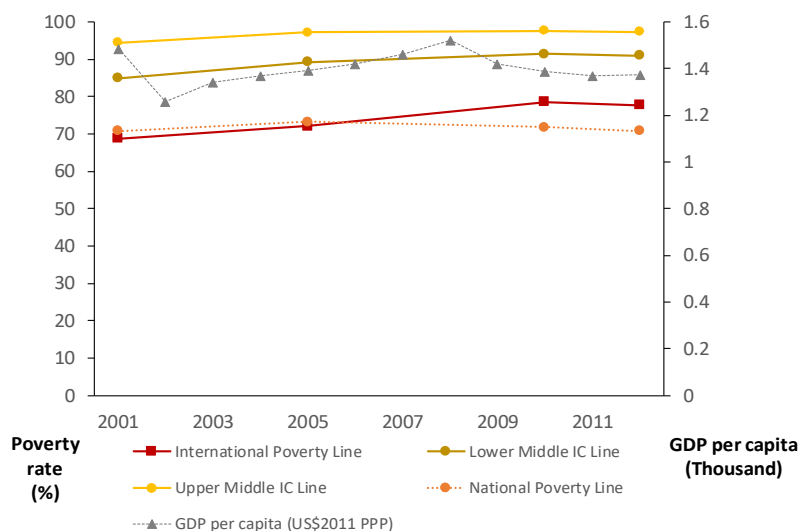
Despite stagnating poverty, inequality has declined, with the Gini index dropping from 46.9 in 2001 to 42.6 in 2012. This trend was accompanied by consumption gains among households in the poorest groups and a reduction in poverty depth by around 4 percentage points (from 36 percent in 2001 to 32 percent in 2012).

The persistence of poverty is the result of the poor performance of agriculture and high unemployment in urban areas. The agriculture sector is highly vulnerable to frequent climatic shocks, price fluctuations, and market integration. In addition, national policies to insulate the economy from rising world rice prices, coupled with deteriorating transport conditions and costs, negatively affected the returns to agriculture. Many poor households shifted into low-productivity off-farm secondary activities as coping mechanisms. While this diversification increased earnings, it has not been enough to lift households out of poverty.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	15.8	70.7	2012
International Poverty Line 1415.9 in Malagasy ariary (2012) or US\$1.90 (2011 PPP) per day per capita	17.3	77.6	2012
Lower Middle Income Class Poverty Line 2384.6 in Malagasy ariary (2012) or US\$3.20 (2011 PPP) per day per capita	20.3	91.0	2012
Upper Middle Income Class Poverty Line 4098.6 in Malagasy ariary (2012) or US\$5.50 (2011 PPP) per day per capita	21.7	97.3	2012
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-2.69	2010-2012
INEQUALITY			
Gini Index		42.6	2012
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.64	2010-2012
GROWTH			
Annualized GDP per capita growth		-0.5	2010-2012
Annualized Consumption Growth per capita from Household Survey		-1.05	2010-2012

Sources: WDI for GDP, National Statistical Offices for national poverty rates, POVCALNET as of March 2019, and Global Monitoring Database for the rest.

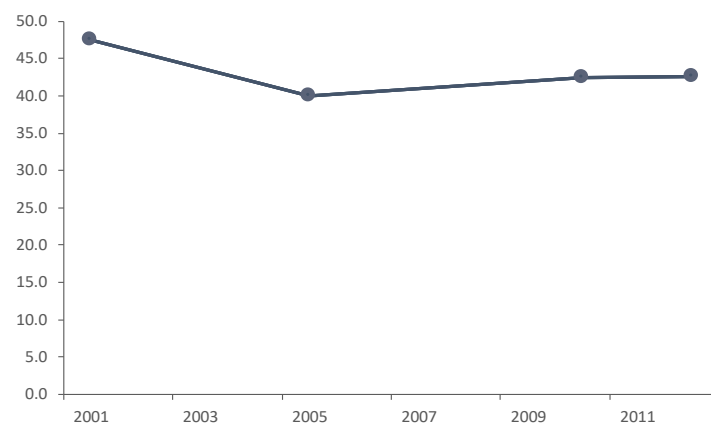
## POVERTY HEADCOUNT RATE, 2001-2012



Source: World Bank using ENSOMD/SSAPOV/GMD

## INEQUALITY TRENDS, 2001-2012

### Gini Index



Source: World Bank using ENSOMD/SSAPOV/GMD

## KEY INDICATORS (distribution among groups)

	International Poverty Line (%)		Relative Group (%)		Year
	Non-Poor	Poor	Bottom 40	Top 60	
Urban population	60	40	11	89	2012
Rural population	15	85	46	54	2012
Males	22	78	40	60	2012
Females	22	78	40	60	2012
0 to 14 years old	15	85	48	52	2012
15 to 64 years old	28	72	33	67	2012
65 and older	27	73	31	69	2012
Without education (age 16 and older)	11	89	54	46	2012
Primary education (age 16 and older)	4	96	53	47	2012
Secondary education (age 16 and older)	46	54	18	82	2012
Tertiary/post-secondary education (age 16 and older)	90	10	1	99	2012

Source: World Bank using Global Monitoring Database

## POVERTY DATA AND METHODOLOGY

Madagascar's Statistical Office (INSTAT) conducted four household surveys during the past decade: in 2001, 2005, 2010, and 2012. While improvements in the survey method caused some comparability issues, these were not significant enough to affect poverty trends. National poverty estimates are based on the cost-of-basic-needs approach. The food poverty line is based on the cost of a food basket that delivers 2,133 calories per capita. The basic needs poverty line adds an allowance for basic nonfood necessities to the food poverty line. The poverty lines have been re-estimated for each survey year, using the cost-of-basic-needs approach, to account for the effects of the socioeconomic crisis that occurred between these years. The poverty line for 2012 was estimated using the 2010 poverty line adjusted by the national consumer price index and is slightly lower than the international poverty line.

The World Bank has provided support to the authorities to implement a new census in May/June 2018, the first since 1993. The results of the census are expected in 2019 and will provide a new sample frame for the design and implementation of a new poverty survey in 2019–20. The new survey is planned to be, for the first time, a year-round survey to control for large seasonality effects.

## HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 44 out of the 48 countries in the SSA region. The four countries not covered in the database are Eritrea, Equatorial Guinea, Somalia and Zimbabwe. Terms of use of the data adhere to agreements with the original data producers.