

Madagascar

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What's happening

79%

Population below international poverty line

variable

National minimum wage

€108

per month

Rural living income

64%

Agricultural workforce

23%

Agriculture share of GDP

3

medium

Risk to workers' rights

Context

Madagascar has a population of roughly 27 million,^[1] of which 62%^[2] lives in rural areas and the remaining 38% in urban centers^[3]. Although agriculture accounts for almost 64% of total employment,^[4] it is a sector that contributes only 4% to the country's GDP.^[5]

Madagascar has one of the highest poverty rates in the world, with approximately 77% of the population living with less than 1.90\$ a day. Smallholders constitute the majority of farmers in the country and most of them depend on agriculture for their subsistence. Climate conditions in Madagascar are particularly harsh for farming, which causes yields to be highly uncertain. This is especially a problem for the southern part, where plots are usually below 1 hectare and agriculture serves merely as a source of subsidence. Poor yields are a major threat for farmers to meet their household needs.^[6]

The top produced crops in Madagascar are rice, sugar cane, cassava, milled rice and sweet potatoes.^[7] As for exports, the top products in terms of quantity are dry beans, shelled groundnuts, raw sugar, prepared fruit, cloves and cocoa beans.^[8]

Wages

Minimum Wage

Minimum wage in Madagascar varies according to the skill level and the tenure size of agricultural and non-agricultural workers.^[9]

Minimum wages are barely above the poverty level defined by the World Bank, and yet they are often not respected. In the informal sector, which accounts for 85% of the workforce, low wages and excessive overtime are common.^[10]

Living Income

The **Global Living Wage Coalition** has developed a Living Income Reference Value study for Madagascar, based on the Anker methodology.

The Anker Living Income Reference Value is estimated at 512,693 Malagasy ariary (108 EUR) per month. This value refers to the monthly cost of a basic but decent standard of living for a typical rural Malagasy family. The Anker Living Income Reference Value is 51% higher than the income of a rural family relying on the national minimum wage. It is also 164% higher than the family income at the average agricultural wage.^[11]

What's happening

RESOURCE

Living Income Reference Value, Rural Madagascar ↗

Living income estimate for a typical family in rural Madagascar to afford the monthly cost of a decent standard of living. Global Living Wage Coalition, 2020.

RESOURCE

Bittersweet Vanilla ↗

This report explores the contrast between the profits of vanilla trading and the poor livelihoods it provides for its farmers.

Footnotes

1. World Bank (2019). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=MG>
2. World Bank (2019). <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=MG>
3. World Bank (2019). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=MG>
4. World Bank (2020). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=MG>
5. World Bank (2018). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS>
6. FAO (2019). Acting early to ensure food security for farmers in southern Madagascar: When you rely on the rain to live, what happens when it doesn't come? <http://www.fao.org/fao-stories/article/en/c/1190290/>
7. FAO (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country
8. FAO (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports
9. Wage Indicator Foundation (2020). Minimum Wage-Madagascar. <https://wageindicator.org/salary/minimum-wage/madagascar>
10. U.S. Department of State (2019). <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/madagascar/>
11. Global Living Wage Coalition (2020). Anker Living Income Reference Value: Rural Madagascar 2020. <https://www.globallivingwage.org/wp-content/uploads/2020/11/Rural-Madagascar-LI-Reference-Value-FINAL.pdf>

