Poverty in Madagascar is changing nature by becoming ubiquitous in urban areas. In fact, while poverty rate at the extreme poverty line of $2.15 per day, in 2017 PPP is estimated to be 80.2% in 2022, early results from the 2022 household survey reveal that consumption across all income deciles in urban areas have decreased. This is alarming as it corroborates with the non-monetary poverty estimate which also reveal deterioration in deprivation rates in urban areas. A growing urban population facing high poverty rates, few job prospects, and worsening living standards presents a serious challenge to economic, social and political stability. This prospect is made worse by the growing intensity of reoccurring climatic shocks, including cyclones and droughts.
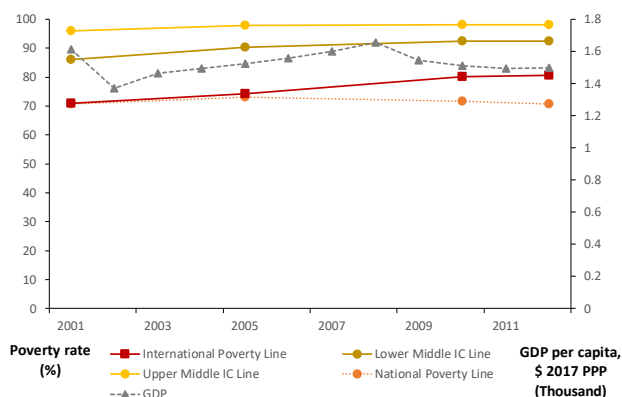
The 2022 cyclones season was probably equivalent to a one in a generation season as it ushered 4 cyclones between January and February. Combined, they affected or displaced half a million people, destroyed more than 50 thousand homes, more than 10 thousand classrooms, blocked more than 40 roads, and flooded more than 200 thousand hectares of agricultural lands. The Global Rapid Damage Estimation (GRADE) report estimates the direct damages of the four tropical storm systems in Madagascar to be around 4.8 percent of Madagascar's national GDP. Recent empirical evidence found that the cyclones increased the poverty rate among affected households by 27 percent, which equals an increase of 9 percentage points.

In line with current GDP projections, which foresee growth remaining sluggish in 2023, Madagascar's poverty rate is currently projected to remain around 79.8 percent (based on an international poverty line of $2.15/day, in 2017 PPP). However, these poverty estimates are expected to be revised once the updated poverty estimates from the 2022 households' surveys are harmonized and calibrated in the poverty projections.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	15.8	70.7	2012
International Poverty Line 1554.4 in Malagasy ariary (2012) or US$2.15 (2017 PPP) per day per capita	18.5	80.7	2012
Lower Middle Income Class Poverty Line 2638.9 in Malagasy ariary (2012) or US$3.65 (2017 PPP) per day per capita	21.2	92.4	2012
Upper Middle Income Class Poverty Line 4952.4 in Malagasy ariary (2012) or US$6.85 (2017 PPP) per day per capita	22.5	98.2	2012
Multidimensional Poverty Measure		82.9	2012
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-3.46	2010-2012
INEQUALITY			
Gini Index		42.6	2012
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		-1.19	2010-2012
GROWTH			
Annualized GDP per capita growth		-0.50	2010-2012
Annualized Consumption Growth per capita from Household Survey		-2.27	2010-2012
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		-2.02	2010-2012

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of April 2023, and Global Monitoring Database for the rest.
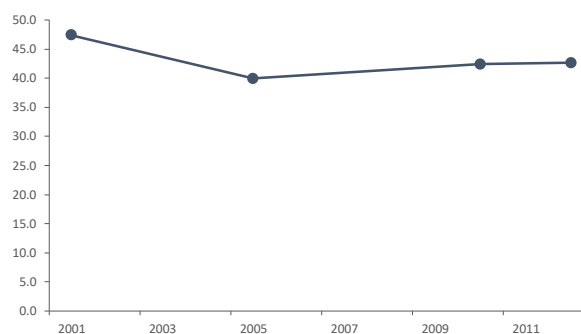
POVERTY HEADCOUNT RATE, 2001-2012

Poverty rate (%)

- ■ International Poverty Line
- ● Upper Middle IC Line
- ▲ GDP
- ● Lower Middle IC Line
- ● National Poverty Line

GDP per capita, $ 2017 PPP (Thousand)

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: 2012	International Poverty Line(%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	55	45	11	89
Rural population	12	88	46	54
Males	19	81	40	60
Females	19	81	40	60
0 to 14 years old	13	87	48	52
15 to 64 years old	25	75	33	67
65 and older	24	76	31	69
Without education (16+)	8	92	53	47
Primary education (16+)	20	80	31	69
Secondary education (16+)	61	39	9	91
Tertiary/post-secondary education (16+)	87	13	3	97

Source: World Bank using ENSOMD/SSAPOV/GMD

Notes: N/A missing value, N/A* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2012	(% of population)
Monetary poverty (Consumption)	
Daily consumption less than US$2.15 per person	80.7
Education	
At least one school-aged child is not enrolled in school	34.7
No adult has completed primary education	49.0
Access to basic infrastructure	
No access to limited-standard drinking water	59.9
No access to limited-standard sanitation	76.9
No access to electricity	13.0

Source: World Bank using ENSOMD/SSAPOV/GMD

POVERTY DATA AND METHODOLOGY

Madagascar's Statistical Office (INSTAT) conducted four household surveys in the past quarter century – in 2001, 2005, 2010, and 2012. Having completed the 2018 census, INSTAT has completed a new household survey in 2022 and is expected to update the poverty estimates in Mid-2023. 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, and the basic needs poverty line adds an allowance for basic nonfood necessities to the food poverty line. However, unlike previous surveys, the 2022 survey is more comprehensive as it captures more than 400 food items compared to less than 100 in previous surveys. This improved approach is expected to revise the poverty rate downward since it will measure consumption and thus poverty more accurately. 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 survey years.

The World Bank provided support to the authorities to implement the first census since 1993, which was conducted in May/June 2018. The results of the census were released in 2021 and provided a new sample frame for the design and implementation of the 2021/22 household survey. Data from the 2022 household survey is expected to be made available in 2023 along with the new poverty estimates.

Note on new global poverty lines: Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of $2.15, $3.65, and $6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See pip.worldbank.org.

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 45 out of the 48 countries in the SSA region. The three countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.

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