



# Madagascar's Political Crisis

**Lauren Ploch**

Analyst in African Affairs

**Nicolas Cook**

Specialist in African Affairs

June 18, 2012

**Congressional Research Service**

7-5700

[www.crs.gov](http://www.crs.gov)

R40448

**CRS Report for Congress**

*Prepared for Members and Committees of Congress*

## Summary

Madagascar, an Indian Ocean island country, ranks among the world's poorest countries, is the world's fourth largest island and is extremely biologically diverse, with thousands of unique species of flora and fauna. It has experienced political instability since early 2009, initiated by tensions between the country's last elected president, Marc Ravalomanana, and an opposition movement led by Andry Rajoelina, then the mayor of the capital city, Antananarivo. Mass protests in early 2009 and eventual military support for the ouster of President Ravalomanana culminated in his forced resignation from office. Rajoelina then seized power and, with other leaders, formed an interim self-declared transitional government, the High Transitional Authority (HAT, after its French acronym). Ravalomanana now lives in exile in South Africa.

Periodic protests by Ravalomanana supporters after the takeover led to violent clashes with security forces. Negotiations between the parties led to the signing of an agreement in 2009 in Maputo, Mozambique to establish an inclusive, transitional government, but Rajoelina subsequently appointed a cabinet seen to be primarily composed of his own supporters. Southern African leaders and Madagascar's opposition parties rejected the proposed government, and negotiations resumed. Two later agreements also failed to result in a unified transitional process.

The unconstitutional change of power and resulting political impasse have negatively affected economic growth and development efforts and strained Madagascar's relations with international donors. Foreign governments, including the United States, reacted to Rajoelina's seizure of power by sanctioning the government in various ways (e.g., through suspension of membership in some multilateral bodies, restrictions on aid, personal sanctions on some individuals, and removal of trade benefits). Aid restrictions have significantly decreased public spending. As a result of the coup d'état, U.S. aid is restricted to selected humanitarian and development programs delivered through non-governmental channels. Madagascar's Millennium Challenge Account compact, worth an estimated \$110 million, was terminated in May 2009. Madagascar is also subject to aid restrictions due to its poor performance in addressing the problem of trafficking in persons.

Until September 2011, when a Southern African Development Community (SADC)-mediated transitional roadmap was signed by most key political movements, international mediation and national efforts to agree upon a transition process had foundered. Notwithstanding continuing political disputes, implementation of the roadmap has gone relatively smoothly. In April, a political amnesty law was enacted, but it remains controversial, as it does not cover former president Ravalomanana due to his conviction for murder in absentia in August 2010, and he has not been permitted to return to Madagascar. An impasse over these issue has long stymied the transition process.

Madagascar faces a host of environmental pressures, however, and illegal logging and endangered wildlife exports have reportedly substantially increased under the HAT. Congress has expressed concern with threats to Madagascar's unique ecosystem, as well as with the country's ongoing political and development challenges. The House of Representatives passed legislation in 2009, H.Res. 839, condemning the 2009 coup and the illegal extraction of Madagascar's natural resources.

## **Contents**

Recent Developments .....	1
The Impasse Continues.....	3
Other Challenges .....	5
Background.....	6
Political Background .....	7
The 2001 Election and the Post-Election Crisis .....	7
The Ravalomanana Government .....	8
Tensions Rise between Ravalomanana and Andre Rajoelina .....	9
The 2009-2012 Political Crisis .....	9
The Military Takes Sides.....	11
International Reactions and Mediation Efforts.....	12
The Crisis Continues .....	13
The Impact of the Political Crisis on the Economy .....	14
U.S. Relations with Madagascar.....	16
Trade.....	17

## **Figures**

Figure 1. Map of Madagascar.....	19
----------------------------------	----

## **Contacts**

Author Contact Information.....	19
---------------------------------	----

## Recent Developments<sup>1</sup>

On June 14, 2012, Andree Rajoelina, the president of Madagascar's unelected transitional government, the High Transitional Authority (HAT, its French acronym), agreed to meet with Marc Ravalomanana, the country's former, most recently elected president. Ravalomanana was ousted by a Rajoelina-led coalition of civilian political groups, in league with the military, in early 2009. The agreement comes in the wake of renewed pressure on the two men, the two principal protagonists in Madagascar's ongoing political crisis, to meet to resolve disputes over a number of issues, discussed below. Their failure to do so has long been seen as a key stumbling block in internationally mediated efforts—as stated in a June 1 Southern African Development Community (SADC) heads of state summit communiqué—“to ensure full implementation of the Roadmap and create an enabling environment for holding credible, free and fair elections.”<sup>2</sup>

### The Transition Roadmap of September 2011

The roadmap referenced in the communiqué is an agreement signed by ten of eleven major Malagasy<sup>3</sup> political movements and nine additional smaller ones in September 2011, supplemented by the Framework for Implementation of the Roadmap, an October 2011 timeline for carrying out the roadmap's provisions. The goal of the roadmap is to facilitate a transitional process resulting in the establishment of a democratically elected government and an end to the political crisis engendered by the overthrow of Ravalomanana. The roadmap is the fourth such agreement; three prior agreements that were only partially implemented. The roadmap lays out provisions and processes for the establishment of a transitional “national union” government; an electoral framework leading to the establishment of a democratically chosen government; a range of prescriptive political confidence building measures and national reconciliation efforts aimed at facilitating a neutral, broadly participatory transitional process; and various internationally sponsored mechanisms to support implementation of the agreement.

The political environment remains volatile. It is characterized by regular, relatively low level political disputes—including accusations of HAT ill-treatment of Ravalomanana-linked political figures; restrictions on and, in some cases, violent suppression of large public political gatherings; selected restrictions on journalists.<sup>4</sup> Nevertheless, substantial progress has been made in the implementation of key provisions of the roadmap, in part based on two meetings of its signatories.

- **Prime Minister Appointed.** In late October 2011, a “consensus” prime minister, Jean Omer Beriziky, a former Malagasy diplomat and academic, was appointed from more than a dozen candidates nominated by the various roadmap signatories. While he was required to be from a region and a political party different than that of Rajoelina, as he was ultimately selected by Rajoelina, his appointment was not universally supported by all signatories. He drew notable

<sup>1</sup> Broad background on Madagascar is provided in the section that follows this summary of recent events.

<sup>2</sup> SADC summit participants had mandated that the SADC Mediator on Madagascar, former Mozambican president Joaquim Chissano, “facilitate dialogue and convene a meeting between” between the two men. Rajoelina reportedly agreed to meet after Madagascar's independence day on June 26, but the locale of the meeting has yet to be decided. Rivonala Razafison, “Madagascar's Rajoelina Says Ready for Deal with Rival,” *Africa Review*, June 14, 2012; and Agence France Presse (AFP), “Rival Madagascar Leaders Agree to Meet: SADC,” June 16, 2012.

<sup>3</sup> Malagasy is the singular and plural noun and adjective for the people and the national language of Madagascar.

<sup>4</sup> Justice et Droits de l'homme a Madagascar, “Revue De Presse,” May 2012.

objections from a Ravalomanana spokesman, who alleged that he was from a party that had formerly backed Rajoelina.

Beriziky, who assumed office on November 2, has reportedly taken a relatively neutral stance vis-à-vis the differences between Rajoelina and Ravalomanana, especially regarding the issue of amnesty (see below), and other matters.<sup>5</sup>

This has reportedly insulated him from potential political pressure from Rajoelina, as any attempt by the latter to dismiss him would likely be viewed by the international community as an abrogation of the roadmap. It has also earned him a reputation as a consensus-oriented, moderate leader who may be able to bridge the long-standing divide between Rajoelina and Ravalomanana. Some international and Malagasy actors reportedly believe that neither of the two should agree not to run in the anticipated election, and Beriziky is reportedly viewed by some Malagasy as a major viable alternative presidential contender.

- **Cabinet Appointed.** In late November, a 35-member, national union government cabinet was appointed, days after a roadmap deadline requiring this outcome had passed due to disputes over the proposed makeup of the cabinet. The cabinet includes 12 opposition members, but not all opposition parties were satisfied by the appointments. Some had reportedly wanted portfolios other than what they were given, and spokespersons from the Mouvançe Ravalomanana and Mouvançe Zafy<sup>6</sup> reportedly boycotted the cabinet's initial meeting, alleging that the cabinet selection process was not in accordance with the roadmap.
- **Legislature Appointed** In early December, the Congress of Transition (CT, the lower legislative chamber, akin to the House of Representatives) and the Superior Council of Transition (CST, the upper legislative chamber, akin to a Senate) were both enlarged, the former from 256 seats to 417 seats, and the latter from 90 seats to 189 seats. Incumbents in the transitional legislature in appointed in October 2010 retained their posts, but additional seats were allocated according to the recommendations of signatories to the roadmap. They were selected under criteria that took into consideration partisan, regional, and gender balance, and the nominations of various political parties. Seats allocated to the Mouvançe Zafy, which did not name any nominees, were not filled.<sup>7</sup>
- **Electoral Commission Appointed.** On March 12, 2012, an independent transitional electoral commission (the CENI-T, after its French acronym)<sup>8</sup> was inaugurated. Its members include 10 civil society, nine political party, and two

---

<sup>5</sup> Other matters of reported difference have included senior appointments (e.g., the post of central bank governor and the replacement of a dismissed cabinet minister); purchase of an aircraft for Air Madagascar and other matters pertaining to the national airline; energy policy; and unilateral actions by Rajoelina or his allies on various other matters. *Indian Ocean Newsletter*, "Andry Rajoelina versus Omer Beriziky," January 14, 2012, and "Beriziky Wants to Set TGV aside," May 12, 2012.

<sup>6</sup> The political groupings backing former presidents Marc Ravalomanana and Albert Zafy. *Mouvançe* means movement.

<sup>7</sup> As of mid-February 2012, the Mouvançe Zafy had not nominated its CT representatives, leaving 52 seats vacant, and as of mid-March 2012 had not nominated its CST representatives, leaving 25 seats in vacant. Inter-Parliamentary Union, *PARLINE* database.

<sup>8</sup> *Commission électorale nationale indépendante pour la transition*.

- Rajoelina administration designees plus a president, Béatrice Atallah, an appeals court judge and a member of a former national elections council.<sup>9</sup>
- **Provisional Electoral Timetable Adopted.** On May 27, the CENI-T adopted a partial electoral administrative process timetable, with a projected completion date of November 11, 2012, as required by the electoral code. It requires that the election be held during the dry season, between April 30 and November 30, unless otherwise mandated due to a court-declared force majeure. The final scheduling of elections will be dependent on completion of various electoral procedures associated with voter registration, voter education, vetting of the voter rolls, and the like. Some of this work is likely to be challenging; the current voter registry is reportedly highly inaccurate and is missing large number of listings from the southern portions of the island. The CENI-T, whose work is dependent on central government funding, has pledged to issue biweekly progress updates of. It expects to publish a more specific electoral calendar in August, pending substantial completion of its pre-poll tasks.<sup>10</sup>
  - **Amnesty Law Passed.** In mid-April 2012 the lower and upper houses of parliament passed an amnesty law—albeit belatedly vis-à-vis the roadmap implementation schedule—broadly covering responsibility for possible violations of the law associated with political events between 2002 and 2009, i.e., between the election and deposition of Ravalomanana.

## The Impasse Continues

While the amnesty law nominally complies with the demands of SADC, it excludes from the amnesty certain “serious violations of human rights and fundamental freedoms,” including murder, as permitted under the roadmap. This effectively means that the amnesty does not apply to Ravalomanana, as he was sentenced in absentia in August 2010 to lifetime imprisonment with hard labor for complicity in the murder of some 30 pro-Rajoelina protesters by the presidential guard on February 7, 2009.<sup>11</sup>

Passage of the law as enacted—with the murder reference included—was not surprising, in light of repeated efforts by the Rajoelina administration to prevent Ravalomanana from returning to Madagascar, most recently in January 2012, and reportedly widespread, if not unanimous, public support for this position.<sup>12</sup> The law, however, also appears to directly conflict with article 20 of

---

<sup>9</sup> Under the roadmap, it is charged, with the assistance of United Nations and other international election experts, with setting out an electoral framework and schedule and carrying out all elections, including presidential, parliamentary and local elections. It must design and promulgate codes for electoral administration and the conduct of political actors; and carry out voter registry functions and voter education.

<sup>10</sup> CENI-T, Communication Officielle du Calendrier Électoral Partiel, May 27, 2012; and Deliberation N°012/CENI-T/D/2012 Relative au Calendrier Électoral Partiel, May 27, 2012.

<sup>11</sup> In mid-2009, Ravalomanana was convicted, along with his former finance and budget minister, of using state funds to buy a \$60 million presidential airplane, for which he was sentenced in absentia to four years in prison and fined \$70 million.

<sup>12</sup> On January 21, Ravalomanana attempted to fly into Antananarivo—despite military warnings that he would be arrested upon arrival—but was turned back when Madagascar closed its airspace as his flight approached the island and returned to South Africa, where he lives in exile. The strength of the HAT's oft-stated opposition to his return was underlined when in September 2011—hours after Rajoelina had publicly stated his acceptance of the roadmap allowing Ravalomanana's return from exile—the Justice Minister stated that Ravalomanana would be arrested if he returned. (continued...)

the roadmap, which allows “all Malagasy citizens in exile for political reasons to return to the country unconditionally, including Mr. Marc Ravalomanana.” SADC has consistently and strongly supported this goal, the prevention of which is viewed as one of the most abiding hindrances to a successful realization of the transition process. Implicit in this rationale is the view that Ravalomanana's ability to return to Madagascar and compete in an election is essential to creating a credible, fair, and open electoral outcome.

A political deal to address the impasse over amnesty is seen as feasible because Ravalomanana's prosecution, conviction, and sentencing—in what he characterized in 2010 as a “mock trial” with a “political objective to accuse me unfairly in order to prevent me from running in the next presidential elections” and to undermine the transitional peace and reconciliation process—is widely viewed as politically motivated and illegitimate by the international community. Some observers have speculated that a deal may ultimately be negotiated under which Ravalomanana—who continues to be widely viewed as a potentially potent political force—would be given amnesty in exchange for not running for the presidency, making Rajoelina the likely winner of the presidential poll, and giving the political party members of the HAT a high likelihood of success in the legislative elections.<sup>13</sup>

In the meantime, however, the Rajoelina camp appears to have engineered an arguably sound basis for enactment of the law. The transitional government reportedly invited and received SADC assistance in drafting it, implying that the law had received the endorsement of SADC, although the government was responsible for its final provisions. Furthermore, as Rajoelina administration officials have reportedly stressed, the spirit and letter of the law appears to fully comply with an explicit “interpretation of the term ‘unconditionally’” appended by SADC in the roadmap.<sup>14</sup> Given this state of affairs, in May 2012, Mouvanca Ravalomanana figures holding government posts began to boycott their duties. These include cabinet ministers, members of Parliament, and CENI-T members.<sup>15</sup>

---

(...continued)

Xinhua, "Madagascan Minister Says Former President Ravalomanana Risks Being Upon Returning," September 19, 2011; and Sabine Machenheimer, "Confusion Reigns Over Legal Status of Former Madagascar President," *IHS Daily*, September 19, 2011.

<sup>13</sup> EIU, *Country Report Madagascar*, June 2012.

<sup>14</sup> The SADC interpretation note states that "SADC does not condone impunity. The term ‘unconditionally’ applies to the notion of the freedom to return to Madagascar of all Malagasy citizens in exile for political reasons. It implies that no administrative and political measures should be applied to constrain or impede their freedom to return to the country... ‘Unconditionally,’ therefore, neither suggests nor implies exoneration for returning Malagasy citizens from judicial processes or alleged crimes committed. [In addition] SADC does not have the power to interfere [with] or annul any judicial condemnation by a national court of any Member State. SADC neither prescribes nor determines the scope and content of amnesty laws of member states. It is up to the competent authorities of its Member States to debate and agree on their amnesty laws taking into account the relevant international norms that exclude from amnesty the crimes against humanity, war crimes, crimes of genocide and other serious violations of human rights and fundamental freedoms." Roadmap; and EIU, *Country Report Madagascar*, June 2012.

<sup>15</sup> As a basis for their boycott, they cited various deviations from the roadmap, including passage of the amnesty law, alleged attacks by security forces on Mouvanca Ravalomanana politicians, the leveling of allegedly bogus charges of assassination against Mouvanca figures, and other complaints. Mouvanca Ravalomanana letter to SADC Liaison Office, May 9, 2012.

## Other Challenges

There are additional challenges associated with article 11 of the roadmap, which requires the establishment of a temporary Special Electoral Court to hear electoral disputes and certify final results of presidential elections. The Malagasy Constitutional High Court reportedly contends that it has the constitutional right and duty to decide these matters, and is seeking to ensure controls over the Special Electoral Court. Another electoral issue of debate is the CENI-T's authority to decide the timing and sequence in which legislative and presidential elections are held. Some political figures reportedly contend that this matter should be decided by elected officials.<sup>16</sup>

A lack of local reconciliation processes and efforts to include the perspectives of average citizens reportedly played a role in the failure of earlier internationally mediated agreements to end the crisis, and could determine the relative success of current transitional processes defined by the roadmap. To ensure that reconciliation is locally driven as well as internationally supported, a law authorizing the Council for Fampihavanana Malagasy (CFM), a national reconciliation entity required under the roadmap, was reportedly passed and CFM is in the process of being established. The roadmap also seeks to support the Malagacho-Malagasy process, a national political dialogue initiated by a coalition of Malagasy civil society actors.<sup>17</sup> Both the Rajoelina and Ravalomanana camps have reportedly participated in the process. Under the roadmap, a SADC Office of Mediation is supposed to support the Malgacho-Malagasy dialogue and transition process, with U.N. technical support.<sup>18</sup>

### **Role of U.S. Organizations in Advancing a Peaceful, Democratic Transition**

Search for Common Ground (SFCG)<sup>19</sup> initiated a two year, European Union-funded Madagascar program in April 2011. Its broad aim is to strengthen social cohesion by building support for freedom of expression, political differences, mutual respect and social tolerance (known locally as *fiavanana*), social and political reconciliation, and human rights. It seeks to address issues arising from the ongoing political crisis that undermine such goals, and to counter the role of media has played in contributing to conflict. The program supports media capacity building, in particular for radio news outlets, aimed at enabling them to report objectively and reflect diverse views, and seeks to model responsible journalism practices that contribute to crisis prevention and conflict resolution. Key goals are to improve dissemination of information from different regions of the country, provide information on rights violation cases and promote broad-based political participation; and increase access to "accurate and credible information about political developments and current affairs" in order to reduce conflict-engendering tensions and rumors.

An initial program component has resulted in the establishment of capacity-building partnerships with 25 radio stations around the country underpinned by contributions from a core team of 11 producers, journalists, and technicians. The radio stations were reportedly selected through a neutral selection process "administered by a Consultative Committee consisting of international and national organizations working in the media sector" and include diverse public, private, religious and community stations. SFCG has also held an initial journalism training session and plans to hold more sessions in six targeted regions of the country. SFCG is also developing a "radio soap opera for social change" program that will provide social entertainment containing social learning-centered messages and storylines that address "human rights, conflict resolution and civic rights and responsibilities." The program

<sup>16</sup> EIU, *Country Report Madagascar*, June 2012.

<sup>17</sup> The group is known as *the Coordination nationale des organisations de la société civile* (CNOSC)

<sup>18</sup> Roadmap; Malagasy Presidency, Paul Sixpence, "'Legitimising' the Illegitimate: An Analysis of SADCs Proposed Transitional Road Map in Madagascar," [blog-based analysis], March 11, 2011; Justice et Droits de l'homme a Madagascar, "Revue De Presse - Mai 2012"; and discussions with NDI, June 12, 2012, among others.

<sup>19</sup> Search for Common Ground is an apolitical, non-profit international nongovernmental organization with headquarters in Washington, DC and Brussels. It undertakes conflict resolution-focused programs centered around public education and social learning through electronic media on issues that underpin conflict and social differences, public dialogue, training of journalists, and other efforts to advance social collaboration rather than adversarial approaches toward problem solving in conflict-affected societies.

employs local “drama experts, scriptwriters and technicians” who are being trained in “how to analyse conflict, develop rich and multi-dimensional characters and portray the complexities and nuances of behaviour change.” The soap opera, which “will focus on the lives of typical Malagasy citizens, as they seek to overcome their differences and divisions, and build upon the ties that bind them together,” is slated to be broadcast twice-weekly nationwide by SFCG’s partner radio stations.<sup>20</sup>

The U.S.-based nonprofit, nonpartisan National Democratic Institute (NDI), a democracy-strengthening organization, runs a small (circa \$100,000) National Endowment for Democracy-funded program that seeks to increase citizen participation in the transition process and support progress toward democratic governance and elections. The program is carried out by a local sub-grantee, CNOE.<sup>21</sup> CNOE undertakes civic education and recently conducted a series of local public dialogues (*takalos*) on the national political crisis and transition process.<sup>22</sup> Conclusions and observations from the dialogues will be aggregated in a report to be presented to SADC and national policy-makers. The goal is to document the views of citizens—as opposed to national political leaders—on what the main problems underlying the crisis are and how to resolve them and to define a civil society role in the transition. Some Malagasy reportedly view the September 2011 roadmap as an externally imposed mediational mechanism that inadequately incorporates the participation or views of average citizens.

NDI also recently conducted an assessment of the political context and, based on its findings, conceptualized a possible expanded program of civil society capacity-building focused on civic education and local political dialogue. The program could prospectively transition toward a focus on voter education, and possibly efforts to help build the capacity of the CENI-T. Longer term goals, depending on the outcome of the transitional and projected electoral processes, might include programs to build political party capacity, train local poll watchers and party agents, and potentially provide assistance to the future elected parliament. Such a program currently lacks funding, however, and will be impossible to pursue in the absence of financing.<sup>23</sup>

## Background

Madagascar, a former French colony, is the world’s fourth-largest island. Located in the Indian Ocean approximately 280 miles off the Mozambique coast, it is about 30% larger than California. Its 22.6 million people are a unique product of historical migrations from Africa, Arab countries, southeast Asia, and Polynesia. They speak a Malayo-Polynesian language, Malagasy, which functions as an official language, along with French. The use of English has grown in recent years. Approximately three-quarters of the Malagasy people live in rural areas, making a living through small-scale commercial and subsistence farming. The country regularly suffers massive economic losses, physical destruction, and loss of life during the annual cyclone season, and from cycles of drought and floods. Over two-thirds of the population lives below the poverty line.

Madagascar is extremely biologically diverse and is unique in many ways; over 85% of its species are estimated to be endemic. Its ecosystems include tropical forests, sandy coastal plains with vegetation, river ecosystems, mangroves, large marshes, and coral reefs. Along with some neighboring islands, it is famed as the exclusive home of lemurs, a unique and ancient suborder of primates. Madagascar is estimated to have as many as 150,000 species of flora and fauna that are

(...continued)

<sup>20</sup> SFCG, “Search for Common Ground Begins Work in Madagascar,” June 4, 2012; program description, February 2012; and CRS discussions with SFCG country director, February 2012.

<sup>21</sup> CNOE is the acronym for the group, *Comité National d’Observation des Élections*.

<sup>22</sup> Takalos were held in May and June 2012 in Antananarivo, Mahajanga (a coastal, predominantly ethnically Betsimisaraka area), and Fianarantsoa (a highland predominantly ethnically Merina area). A final dialogue took place in Antananarivo in early June. CNOE and six local in partner civil society organizations have also installed suggestion boxes in public areas to elicit anonymous civic views on local problems.

<sup>23</sup> CRS discussions with NDI representatives, June 8 and 12, 2012.

unique to the island. In part due to a high population growth rate, Madagascar faces significant environmental pressures, and flora, fauna, and habitat loss from soil erosion associated with deforestation, agricultural production, and overgrazing; desertification; and water pollution. Some reports suggest that illegal logging and endangered wildlife exports have substantially increased since 2009, when Madagascar's democratically elected government was dissolved.<sup>24</sup>

Development challenges in Madagascar have been compounded by periodic political unrest that has hampered economic growth and limited public investment. With most donor aid to the government currently suspended due to the 2009 coup, public spending has dramatically decreased. At the same time, unemployment and food insecurity, exacerbated by droughts and cyclones, have risen. Some analysts predict that these social pressures may ultimately force the opposing political parties to negotiate a solution to the current impasse.

## Political Background

Following independence from France in 1960, Madagascar was ruled by a succession of Soviet-leaning socialist regimes, and the country suffered episodic political instability. In the late 1980s, support from the collapsing Soviet Union waned and popular demands for democratization mounted. A democratic transition marked by considerable unrest began in 1989, leading to the approval of a new constitution after a 1992 referendum and presidential elections. The new government made little headway against Madagascar's extreme poverty, and faced strikes, student unrest, and diverse political problems, including the impeachment of President Albert Zafy in July 1996.

<b>Madagascar at a Glance</b>	
<b>Population:</b>	22.6 million (2012)
<b>Pop. Growth Rate:</b>	2.96% (2012)
<b>Independence:</b>	June 1960 (from France)
<b>Capital:</b>	Antananarivo (often shortened to Tana)
<b>Religions:</b>	52% indigenous beliefs, 41% Christian, 7% Muslim
<b>Languages:</b>	French (official), Malagasy (official), English
<b>Literacy:</b>	64.5% (2008)
<b>Mortality, under 5:</b>	62.1 deaths/1,000 live births (2010)
<b>Life Expectancy:</b>	64 years (2012)
<b>GDP Per Capita:</b>	\$8.72 billion (2010)
<b>GDP Per Capita:</b>	\$421 (2010)
<b>External Debt:</b>	\$2.47 billion (2011)
<b>Exports:</b>	Coffee, vanilla, shellfish, sugar, cotton cloth, chromite, petroleum products
<b>Human Development Index:</b>	151 out of 187 ranked countries
<b>Sources:</b>	CIA <i>World Factbook</i> , World Bank data, UNDP

Didier Ratsiraka, a former military ruler, won presidential elections in November 1996. While he generally maintained a public commitment to democracy, he also attempted to centralize political control and backed constitutional reforms that weakened the legislature and gave him appointment powers over a third of Senate seats. Ratsiraka's actions gradually weakened the opposition parties, but also engendered opposition to his rule, as did widespread allegations of corruption within his administration.

## The 2001 Election and the Post-Election Crisis

Many Ratsiraka opponents rallied to the reform message of the then-mayor of Antananarivo (often abbreviated as Tana), businessman Marc Ravalomanana. In December 2001, he faced

<sup>24</sup> See, e.g., Hery Randriamalala and Zhou Liu, "Rosewood of Madagascar: Between Democracy and Conservation," *Madagascar Conservation & Development*, March 1, 2010; and ICG, "Crisis Heating Up?" op. cit.

President Ratsiraka in a bitterly contested election. The election led to a tense half-year stand-off between the two candidates and their parties after Ravalomanana, citing electoral irregularities, refused to participate in a postponed runoff poll, and in February 2002 declared himself the winner of the election. His election was sanctioned by the Malagasy High Constitutional Court, which rejected the need for a run-off.<sup>25</sup> Ravalomanana was sworn into office in May of that year, but Ratsiraka continued to reject the election results. The two sides each marshaled their supporters and engaged in limited armed confrontations, which threatened at times to escalate into civil war. Communications, roads, and bridges were cut by Ratsiraka's followers, leaving the capital with no access to the sea or to basic supplies. Nationwide economic disruptions—which included widespread job loss and sharp rises in malnutrition rates, aggravated by a devastating cyclone—ensued. In June 2002, the United States was the first country to formally recognize the Ravalomanana government; France, China, the United Kingdom and five African governments soon followed suit. The African Union (AU), however, declined to do likewise, and suspended Madagascar from the regional body. In early July 2002, Ratsiraka fled to exile in France.<sup>26</sup>

## The Ravalomanana Government

Madagascar was re-admitted to the African Union nearly seven months after Ravalomanana's *Tiako I Madagasikara* (TIM, or "I Love Madagascar") party won a majority in the National Assembly during December 2002 legislative elections that were seen as a test of his administration's legitimacy. Ravalomanana faced significant economic challenges after the extended political crisis and related economic disruptions, but received pledges of substantial support from Western donors, a trend that continued throughout his tenure. His administration pursued an agenda that sought to reduce poverty and improve governance, respect for the rule of law, economic growth, and market liberalization.

Many former officials from the Ratsiraka government were subsequently tried and sentenced on charges of corruption or political abuses. The court cases were viewed by many as a signal that the Ravalomanana administration was serious about addressing past political abuses and had consolidated political power. However, the government also pursued efforts to bring about political reconciliation and to demonstrate moderation in dealings with its former foes. It provided amnesties for many alleged offenses associated with the Ratsiraka government and the 2002 crisis, and several former Ratsiraka supporters were made members of Ravalomanana's cabinet. Ravalomanana did not seek the extradition of Ratsiraka. These actions broadened the President's regional base of support during his first term, and alleviated concerns that he might promote his own ethnic and political bases at the expense of other constituencies.

Ravalomanana was re-elected in December 2006 with almost 55% of the vote, and legislative, provincial, and regional elections were held in late 2007 and early 2008.<sup>27</sup> In an April 2007 referendum, President Ravalomanana received 70% approval for a series of constitutional changes, including a controversial proposal to give the President greater power during a state of emergency and a proposal to abolish the provinces and allow municipal and local governments

---

<sup>25</sup> In the first vote count, Ravalomanana garnered less than the 50% needed to avoid a run-off, but African leaders facilitated a recount that gave the candidate 51.5% of the vote.

<sup>26</sup> His departure was preceded by rumors that he had been planning to sponsor a mercenary attack on Ravalomanana, but by that time allies of Ravalomanana had consolidated political control of much of the island.

<sup>27</sup> TIM candidates won over 80% of the National Assembly seats, and victories in most of the provincial elections. The party won all seats in the 2008 regional and senatorial elections.

more authority.<sup>28</sup> The referendum also approved English as a third official language. According to the State Department, elections under the Ravalomanana government were generally free and fair. The ruling party's overwhelming victory at the polls in 2006-2008, despite growing public dissatisfaction with slow improvements in living standards, significantly eroded the opposition parties' credibility. Voter turnout for March 2008 regional elections was low, and many analysts suggest that the lack of a credible opposition engendered public disenchantment with politics.

## Tensions Rise between Ravalomanana and Andre Rajoelina

President Ravalomanana's popularity, while considerable after his re-election, failed to help his TIM party's candidate win the December 2007 mayoral election in his former stronghold, Antananarivo, a city of almost 2 million people. Tension between the central government and newly elected Mayor Andry Rajoelina's administration subsequently mounted. In 2008, the Ravalomanana government allegedly delayed the disbursal of funds for various local government infrastructure projects in the capital, diverted investment away from the city, and in various other ways refused to facilitate cooperation between the central and municipal governments. Rajoelina's supporters claim these efforts were intended to undermine the mayor, a young, successful media entrepreneur and former disk jockey widely known as "Andry TGV."<sup>29</sup> Rajoelina, however, also appeared intent on curtailing the influence of the TIM and Ravalomanana-linked business interests.<sup>30</sup>

## The 2009-2012 Political Crisis

Madagascar's ongoing political crisis began in December 2008, when the Ravalomanana government closed Viva TV, a television station owned by Mayor Rajoelina, after it aired an interview with former President Ratsiraka. The government asserted that the speech threatened to "disturb public order and security," while critics viewed the move as a sign of increasing intolerance by the Ravalomanana government of opposition-friendly media and as an effort to curtail Rajoelina's influence.<sup>31</sup> After the closure, Rajoelina issued an ultimatum, demanding, in the interest of press freedom and democracy, that the government allow the reopening of Viva TV and other stations by January 13.<sup>32</sup>

---

<sup>28</sup> Following the 2002 crisis, Ravalomanana fired the country's provincial governors and replaced them with presidential appointees. Improving the effectiveness of local administration was a key goal of his administration. The U.S.-based Freedom House ranked Madagascar "partially free" in its *Freedom in the World 2008* index, noting that the referendum increased the President's power.

<sup>29</sup> TGV also stands for his political movement, *Tanora malaGasy Vonona* (Determined Young Malagasy) and is the acronym for a French high-speed rail system.

<sup>30</sup> He reallocated billboard licenses held by a Ravalomanana-linked business to his own advertising firm and brought opposition figures into the municipal government, including a former presidential rival of Ravalomanana *Indian Ocean Newsletter*, "Ny Hasina Andriamanjato to Make Come-Back in Madagascar," December 6, 2008 and "Andry TGV v I-Mada," March 29, 2008.

<sup>31</sup> Parts of the speech had previously been "widely broadcast by other stations and printed by the privately owned daily *Midi Madagasikara*," which drew no government response. Rajoelina reportedly called the closure a "purely political decision" and asserted that the government had long intended to close Viva TV and that the state media regulatory body had harassed the station in prior weeks, "looking for any pretext to close it." *Reporters sans Frontieres*, "Government Closes TV Station Owned By Political Rival," December 17, 2008.

<sup>32</sup> In December, several television (TV) and radio stations were warned not to air material that would incite public violence or stir ethnic strife. On January 20, at the outset of public protests, Viva TV's license was revoked and its (continued...)

In mid-January 2009, Rajoelina initiated what grew into a wave of public anti-government demonstrations Antananarivo.<sup>33</sup> The anti-government protests—which were also spurred by dissatisfaction over economic conditions, allegations of government corruption, accusations of state restrictions of freedom of expression, and of unilateral TIM political dominance—swelled in size over subsequent days. Rajoelina labeled Ravalomanana a dictator and called for further anti-government strikes, which duly ensued, closing down much of the capital. In late January, the protests turned violent, as elements of the crowds rioted and looted. The state radio building was ransacked and set alight; arsonists targeted a Ravalomanana-owned radio station, where guards shot a protester, warehouses of one of his companies, and other private businesses. Reports in the following days suggested that 70-80 persons had died during the unrest, most due to crowd stampedes and arson, which the government labeled a “civil disturbance which is akin to an attempted coup.”<sup>34</sup>

At the end of January, Rajoelina, backed by a group of opposition parties, again called for Ravalomanana ouster and the establishment of a two-year democratic transition that he would lead. The next day Rajoelina—who had not yet attained the age of 40, the constitutionally required for presidents—declared that he was taking control of state power as the head of a national transitional government, which he said would be established legally through a parliamentary request for Ravalomanana's resignation. In subsequent days he kept up demands seeking that end, along with claims that he was doing so legally.<sup>35</sup>

#### **Opposition to Ravalomanana: Contributing Factors**

The government-opposition tension in early 2009 was personified as a rivalry between Ravalomanana and Rajoelina. The opposition movement of which Rajoelina was able to take leadership, however, was also the product of increasing discomfort among various opposition parties and political leaders to perceived efforts by Ravalomanana to aggregate increased power in the presidency. In late 2008, Ravalomanana, after holding a “presidential dialogue” with key private sector at which a series of criticisms were leveled at the prime minister, informally and tentatively proposed a set of constitutional amendments.<sup>36</sup> However, after the seizure of Rajoelina's Viva TV, opposition parties refused to join a meeting called by Ravalomanana at which a team of independent consultants was to have outlined the proposals. Discomfort with Ravalomanana by some in the opposition had also been spurred by his continuing opposition to a political amnesty that would have allowed members of the Ratsiraka regime to reenter to Malagasy politics, as well as perceived excesses by Ravalomanana, such as the purchase of a presidential aircraft.

(...continued)

equipment seized in January, and Radio Viva—another Rajoelina media outlet—was warned not to air a call-in show that the government asserted incited civil disobedience and undermined public institutions. The order was seen as an effort to curtail Rajoelina's use of Viva Radio as means of communicating with his supporters. Over the following weeks, several broadcast media stations, including state radio and TV were taken off the air, in some cases after being attacked by mobs, although in some cases they quickly reinitiated broadcasts.

<sup>33</sup> They began on January 17, when Rajoelina established a “democracy square” at which he rallied a crowd of 20,000 supporters, calling for the reopening of his TV station, threatening to close a TV station owned by Ravalomanana located on municipal land, and criticizing the government for entering into a large land deal the South Korean group Daewoo, in relation to which he called for the resignation of two ministers. Radio France Internationale via BBC Monitoring, “Madagascar: Antananarivo Mayor Inaugurates Democracy Square,” January 18, 2009.

<sup>34</sup> Kissy Agyeman, “At Least Two Killed in Madagascar Protests,” *Global Insight Daily Analysis*, January 27, 2009.

<sup>35</sup> For instance, he entered a plea with the constitutional court seeking its removal of Ravalomanana on the basis that the president had not upheld the constitution, which the court later rejected on the basis that the power to impeach the President lay with the legislature rather than the judiciary.

On February 3, 2009, Ravalomanana removed Rajoelina from his mayoral office.<sup>37</sup> Rajoelina continued to demand the President's ouster, calling for his impeachment and arrest and the establishment of a transitional government. While protests waned over the next several days, on February 7, the presidential guard fatally shot approximately 30 protesters who were marching on the presidential palace and wounded many more, prompting the defense minister to resign in protest. She was immediately replaced by the military chief of staff. In subsequent days, Ravalomanana supporters engaged in pro-government demonstrations, while Rajoelina supporters massed in support of their cause. Talks between the two sides were initiated in mid-February, but broke off weeks later. They were followed by anti-government protests, some of which were suppressed by security forces, resulting in several fatalities. In early March, the government unsuccessfully attempted to arrest Rajoelina, who sought refuge at the French embassy.

## The Military Takes Sides

Madagascar's military has historically maintained its neutrality during political confrontations. During rise in tensions between Ravalomanana and Rajoelina, the armed forces repeatedly pledged to protect the civilian population and maintain the rule of law. In early March 2009, however, after the military was used by the government to suppress protests, in some cases resulting in fatalities, warned that they might take power if the two opposed sides did not resolve their differences. Subsequently, however, key military leaders appeared increasingly to lean toward supporting Rajoelina.

### The Military Role in Ravalomanana's Ouster

On March 8, a unit of paratroopers announced they would no longer take orders from the government, and on March 10, a group of military officers forced the resignation of the defense minister on the basis that he had ordered soldiers to suppress anti-government protests; he resigned but two days later rescinded his decision. Also on March 10, the same day the army chief of staff warned that troops might assume state power if political leaders and the international community failed to resolve the crisis within 72 hours. He was replaced the next day, but a mutineering pro-Rajoelina officer, Colonel Andre Ndriarijaona (also spelled Andriarijaona), also claimed to have assumed the post and from that point on became its de facto incumbent. On March 13, the mutineering unit reportedly deployed tanks in and around the capital city, allegedly to prevent either side from employing mercenaries. While the unit denied that they sought to oust the president by force, its leader also stated that Ravalomanana needed to resign. The government therefore viewed the move, which prompted the U.S. ambassador to declare that Madagascar was on the verge of civil war, as indicative of a possible military coup.

In the following days, representatives of the two sides met for talks while their supporters rallied in the streets, but the pressure on Ravalomanana to resign grew. On March 14, a Rajoelina ally stated that the executive and legislative branches had been dismissed, while Rajoelina himself—in his first public appearance in about two weeks and flanked by former prime minister and close Ravalomanana ally Jacques Sylla—announced that the military had agreed to obey his orders. In response, Ravalomanana, while maintaining that he still held power, stated that he was prepared to face a referendum on his incumbency, but this was rejected by Rajoelina and military leaders.

On March 16 soldiers—following reports that elements of the presidential guard, which were seen as the sole military unit still loyal to the president, had defected—seized a presidential palace and the central bank. They were reportedly acting under the orders of Rajoelina. President Ravalomanana was not at the palace during the attack. Hundreds of his supporters then camped outside his residence to protect him. Supporters of Rajoelina, who denied ordering the

(...continued)

<sup>36</sup> These would have replaced the post of prime minister with four sectorally and geographically assigned vice presidents; set out a formally defined role for the leader of the opposition in parliament; required a reduction of the number of political parties through a consolidation process; and banned independent electoral candidates.

<sup>37</sup> Under Malagasy law, the President can dismiss elected officials who fail to fulfill their mandate.

attack on the presidential palace, then began to take control of other government offices, including that of the Prime Minister, and Rajoelina reportedly installed himself in the presidential offices the following day.

On March 17, 2009, President Ravalomanana announced that he was resigning and transferring authority to navy admiral, who refused to assume power, and the military, subsequently formally recognized the authority of Rajoelina as president of a High Transitional Authority (HAT, by its French acronym). The country's highest court proclaimed Rajoelina's legitimacy the following day, and he was inaugurated as president of the HAT on March 21.<sup>38</sup> Rajoelina suspended the parliament, which was dominated by Ravalomanana's party.

Political tensions on the island continued, punctuated by sporadic demonstrations.<sup>39</sup> On several occasions, security forces reportedly used tear gas to disperse protestors, and several demonstrators were reportedly killed or injured. Some reports suggest that elements of the military demanded Rajoelina's resignation early in his tenure and continue to oppose the transitional authority.<sup>40</sup> In April 2010, the minister of the armed forces was fired amid rumors of a possible coup. In May 2010, security forces loyal to Rajoelina suppressed a mutiny by a group of gendarmerie. Rajoelina's supporters suppressed another coup attempt in November 2010.

## **International Reactions and Mediation Efforts**

Envoys from the United Nations, the AU, and SADC, in concert with the influential Madagascar Council of Christian Churches, made numerous attempts to mediate between Ravalomanana and Rajoelina. Mediators first brought the two rivals together in February 2009, but Rajoelina refused to participate in further talks until Ravalomanana officially stepped down. The AU condemned the events of March 16 as an attempted coup d'état, and AU Commission Chairman Jean Ping warned the Malagasy military against handing power to Rajoelina.<sup>41</sup> According to Madagascar's constitution, in the event of a presidential vacancy, the president of the Senate should assume the office and hold new elections within two months, rather than the two years Rajoelina initially proposed. The constitution also required the President to be at least 40 years of age; Rajoelina was born in 1974.

On March 20, 2009, the AU Peace and Security Council, citing an unconstitutional change of government, announced its decision to suspend Madagascar from participation in AU activities. Southern African leaders then suspended the country from SADC. In late April, the AU, SADC, the Common Market for Eastern and Southern Africa (COMESA), the Organisation internationale de la Francophonie (OIF), the permanent members of the UN Security Council, the EU, and other interested governments formed an International Contact Group on Madagascar (ICG-M) to provide a unified front for international pressure on the parties to resolve the political crisis.

---

(...continued)

<sup>38</sup> The court reportedly found that "Rajoelina exercises the attributions of the president of the Republic as stated by the provisions of the constitution," Lucie Peytermann, "Madagascar's Rajoelina Takes Office, Targets Poverty," AFP, March 18, 2009.

<sup>39</sup> In April 2009, Ravalomanana announced from exile the creation of a new government, to be led by Manandafy Rakotonirina as prime minister. Rakotonirina, who was in Madagascar, was subsequently arrested and accused of coordinating anti-government protests; he was held under house arrest and later convicted and given a two-year suspended sentence. Several other senior opposition officials were likewise detained.

<sup>40</sup> "Madagascar Navy Troops Order Rajoelina to Leave Power in Seven Days," Xinhua News Agency, March 21, 2009.

<sup>41</sup> "Madagascar Opposition Calls for President's Arrest," Reuters, March 16, 2009.

The U.S. State Department declared the power transfer to be a coup d'état. EU officials took a similar stance. Foreign envoys did not attend Rajoelina's inauguration, and only a few foreign governments have recognized his administration. The United States has suspended all non-humanitarian assistance, as have several other international donors, including the International Monetary Fund (IMF), which announced a suspension of aid programs in May 2009. The World Bank and the African Development Bank continue to provide some assistance. AU and SADC Member States prevented Rajoelina from addressing the 64<sup>th</sup> session of the United Nations General Assembly in September 2009. He did not attend the September 2010 session, reportedly to avoid another confrontation with the African states.

After assuming office, Rajoelina remained defiant in spite of international pressure. In June 2009, a Madagascar court sentenced Ravalomanana in absentia to four years in jail and a \$70 million fine for alleged abuse of office.<sup>42</sup> Members of SADC convened an extraordinary summit later that month and nominated the former president of Mozambique, Joaquim Chissano, to lead a new mediation effort. Chissano convened talks between Rajoelina, Ravalomanana, and two former Malagasy presidents, Albert Zafy and Didier Ratsiraka, in early August in Mozambique's capital, Maputo. In August, almost six months after the political crisis began, the opposing parties signed an agreement to form an inclusive, transitional government that would rule for up to 15 months, during which time new elections would be held. Weeks later, Rajoelina named a new government; only two of the 31 ministers named were considered to be critics of Rajoelina. Ravalomanana and the country's three main opposition parties denounced the proposed cabinet, charging that it violated the terms of the Maputo agreement. They vowed to establish a parallel government in accordance with the framework outlined in the agreement. SADC also rejected Rajoelina's new government, and the AU called on the parties to adhere to the Maputo agreement.

Talks resumed in Maputo, and in October 2009 the parties announced that they had reached agreement on posts in a new transitional government, which would be led by Andry Rajoelina until new elections were held. Ravalomanana reportedly agreed to the arrangement on the condition that Rajoelina would not vie for the presidency in those elections. Under the accord, several members of Rajoelina's administration, including his prime minister at the time were replaced by consensus candidates like Eugene Mangalaza. Rajoelina subsequently dismissed Mangalaza in December, and appointed a military officer, Brigadier General Albert Camille Vital, to serve as his new prime minister. He pressed forth with plans for legislative elections to be held in March 2010, but in early 2010, under international pressure, agreed to postpone elections until later in the year.

## **The Crisis Continues**

Donor pressure on Madagascar's de facto government continued in 2010, but international mediation efforts sputtered. The mandate of the UN mediator ended and the AU allowed SADC, which the HAT has viewed as biased toward Ravalomanana, to take the lead on negotiations. Rajoelina and his government have continued efforts to legitimize their rule under increasing domestic pressure.<sup>43</sup> In April 2010, the armed forces' chief of staff and head of the gendarmerie made public demands for the HAT to resolve the political crisis, amid the discovery of several reported coup plots. After several changes to the government's proposed timetable for a

---

<sup>42</sup> The \$70 million fine was linked to Ravalomanana's purchase of a presidential jet in 2008.

<sup>43</sup> See, e.g., International Crisis Group, *Madagascar: Crisis Heating Up?*, November 2010.

constitutional referendum and elections, and as part of new national dialogue notionally led by civil society, the government sponsored a national conference, which led to the adoption in November of a new constitution by national referendum. A new bicameral transitional legislature was appointed in October, based on a political accord signed in August. The chair of the lower chamber is a former aid of Ravalomanana, and reports suggest that the former ruling TIM party has fragmented as international support for the former president has waned.

In early 2011, SADC resumed its mediation effort and the HAT engaged in negotiations with the other main political movements in which it appeared prepared to bargain more seriously and perhaps compromise more than in earlier talks. In March 2011, a draft roadmap to elections was presented, with eight of the 11 main political parties participating. Rajoelina formed a new government, with three-quarters of ministerial positions held by new political parties, some of which include former members of Ravalomanana's party. Prime Minister Vital resigned in March 2011, as part of the transition roadmap, but was promptly reappointed by Rajoelina. The three former presidents rejected the new government and called for revision of the roadmap. Rajoelina appears determined to vie for the presidency in the next presidential elections, whenever they are held. The constitution adopted in November, which lowers the minimum age limit for presidential candidates, would allow him to do so. As discussed in the introduction of this report, in September 2011 ten of eleven major political movements signed onto a SADC-endorsed transitional governance processes roadmap. About a month later, a timetable for implementing the roadmap's provisions was also adopted. These developments and subsequent events are discussed in the "Recent Developments" section at the beginning of this report.

## **The Impact of the Political Crisis on the Economy**

While the September 2011 roadmap has resulted in substantial progress, the impasse over Ravalomanana's return and possible amnesty means that the political crisis may continue for months or longer. The country's economy, which had been on an upward trajectory under President Ravalomanana—despite continuing widespread poverty and wide gaps between the poor majority and the wealthy elite—continues to struggle, based in part on a lack of donor confidence and government legitimacy. Most analysts do not expect significant economic recovery until after credible democratic elections takes place. Madagascar's economy, which had been significantly damaged by the 2002 crisis, had recovered quickly after Ravalomanana came to power that year, and the recovery was seen as a sign of public and foreign investor confidence in his government. Growth was spurred, in part, by his Administration's economic liberalization policies. Madagascar reached the completion point under the Heavily Indebted Poor Countries Initiative (HIPC) in 2004 and received cancellation of almost \$2 billion in sovereign debt. The Ravalomanana administration sought to diversify the country's bilateral ties, and reduce its reliance on traditional business partners, such as France.

Under Ravalomanana,<sup>44</sup> Madagascar attracted several high-profile foreign investment projects, including a titanium dioxide mine developed by Australia's Rio Tinto estimated at over \$800 million and a tar sands project by France's Total. Several oil companies began offshore exploration. A major investment proposal by South Korea's Daewoo Logistics became a rallying point for Rajoelina in late 2008. Ravalomanana critics like Rajoelina questioned the government's offer to Daewoo of a 99-year lease for 3.2 million acres of land for large corn and palm oil plantations. The Ravalomanana government claimed that the projects would bring infrastructure investments and create hundreds of jobs for Malagasy farm workers, but Rajoelina argued that the plantations would displace too many farmers from their land. The proposed deal also raised ethical concerns about allocating almost half of the country's arable land for export crops while the country continues to import rice, a basic staple of the Malagasy diet.<sup>45</sup>

Despite economic growth under Ravalomanana, the majority of Madagascar's people have remained poor. The World Bank estimates that per capita income is only approximately \$460 per year, and the country ranks low on the U.N. Development Program's Human Development Index. Some of the country's current economic challenges pre-date the 2009 political crisis. Food prices have increased significantly since 2007, while purchasing power has decreased. Chronic food insecurity affects over half the population. Increased global competition on world market for Madagascar's primary export crop, vanilla, has adversely affected Malagasy farmers in recent years.<sup>46</sup> The government has distributed coffee, clove, and pepper plants in an effort to diversify cash crops. The country's shellfish industry suffers from declining fish stocks. Madagascar's economy has been heavily reliant on the tourism industry, which drew an estimated \$390 million annually. The 2008-2009 global economic downturn, combined with the current political uncertainty, has damaged the industry considerably.

The economy has declined under Andry Rajoelina and the HAT, with real GDP growth falling from 7% in 2008 to -3.7% in 2009, an estimated 0.5% in 2010, and an estimated .7% in 2011 according to the Economist Intelligence Unit. Tourism declined by 50% from January 2009 to January 2010, although it saw a moderate recovery in 2011 which later slowed due to poor European economic performance. Textile exports to the United States are down significantly (see below). Tourism is further affected by an EU ban on flights by Air Madagascar, whose planes have been deemed no longer in compliant with EU safety standards, to European destinations. Madagascar's dairy industry has also suffered during the political crisis. Unemployment, food insecurity, criminality, and corruption are on the rise.<sup>47</sup>

Prior to the coup, foreign aid represented approximately 40% of the Malagasy government's budget and 75% of investments in public spending. Madagascar has since lost an estimated \$400 million in donor support, according to the World Bank. The government continues to pay public wages and debt payments, but public services have declined, affecting the education and health

---

<sup>44</sup> Ravalomanana, 61, owns Madagascar's largest indigenous corporation, Tiko Group, a food and retail conglomerate. His business background is thought to have contributed significantly to his liberal economic policies and ability to attract foreign investment, but his business interests also drew allegations of corruption and favoritism in government deals. These allegations, combined with rising popular discontent, appear to have gradually undermined his domestic and international legitimacy. International donors suspended over \$20 million in aid disbursements in December 2008, citing concerns over budget transparency and possible conflicts of interest in the President's business investments. In particular, some donors reportedly urged greater scrutiny of the mining and energy sectors.

<sup>45</sup> Vivienne Walt, "The Breadbasket of South Korea: Madagascar," *Time*, 23 November 2008.

<sup>46</sup> The country accounts for two-thirds of the world's vanilla exports.

<sup>47</sup> ICG, "Madagascar: Crisis Heating Up?" op. cit.

sectors. Social indicators have fallen. Reports suggest that the government's control over the armed services has also declined. Donor aid cuts have primarily affected infrastructure, productive activities, and institutional support, the World Bank reports, while donor aid to social sectors has actually increased since the coup, representing over \$260 million in 2010, up from \$180 million in 2008.<sup>48</sup> The effectiveness of that aid, however, has been hindered by such factors as decreased donor coordination, weakened government capacity and deteriorating infrastructure. The EU has extended its suspension of development assistance, including budget support to the government, worth an estimated \$738 million, for another year. AU and SADC sanctions, which do not affect aid flows, include a suspension of trade benefits and a travel ban and asset freeze on more than 100 members of the HAT. China is playing an increasing role in the Malagasy economy, particularly in the mining sector, which has reportedly provided Rajoelina's government with over \$100 million in budget support.<sup>49</sup>

## **U.S. Relations with Madagascar**

The United States government maintains diplomatic relations with the High Transitional Authority, but does not regard it as a legitimately established government, and has suspended assistance to the HAT government. According to the State Department, "Madagascar is ranked as "Tier 3"—the lowest—in the latest trafficking in persons (TIP) report, which also places additional funding restrictions on Madagascar.<sup>50</sup> Previously, the United States had maintained good diplomatic relations with the government of President Marc Ravalomanana. The United States has supported the efforts of SADC, the United Nations, the African Union, and other international actors to facilitate a peaceful resolution of the crisis.

Due to the HAT's unconstitutional assumption of power, the Obama Administration has suspended non-humanitarian assistance to the country, including all assistance programs to the government. Military assistance, good governance, basic education, and environmental programs have been affected, based on legislative and policy restrictions. The State Department has requested \$66 million in bilateral aid for Madagascar for FY2013. U.S. assistance is estimated at \$67.6 million in FY2012 and \$77.6 million in FY 2011. In FY 2012, over 81% of such assistance supported health programs and 7% to nutrition, social protection, sanitation, and other humanitarian aid. The majority of FY2013 assistance would continue to focus on health programs, an area in which the United States is a leading donor. Madagascar is a target country for the President's Malaria Initiative, which aims to cut malaria deaths by 50% and "scale up proven preventive and treatment interventions toward achievement of 85 percent coverage among vulnerable groups."<sup>51</sup> Economic growth assistance (about 11.3% of aid in FY 2012 and 13% of requested levels for FY 2013) is focused on helping to improve infrastructure, such as irrigation canals and secondary roads, especially those damaged by the regular cyclones that hit the island in most years, and on agricultural productivity programs. Despite current aid restrictions, the U.S. government continues to participate in donor working groups on rural development and the

---

<sup>48</sup> The World Bank, *Madagascar Economic Update: Aid Effectiveness During Political Instability – a Look at Social Sectors*, April 1, 2011.

<sup>49</sup> The World Bank, "Madagascar: Country Brief," available at <http://www.worldbank.org>.

<sup>50</sup> State Department, *Congressional Budget Justification*, FY 2013. The State Department moved Madagascar from a "Tier 2" to a "Tier 2 Watch List" country in its 2010 *Trafficking in Persons Report*, and to a "Tier 3" country in its 2011 report, where it remains.

<sup>51</sup> State Department, *Congressional Budget Justification*, FY 2013.

environment, according to the State Department. The Peace Corps, which temporarily suspended operations in 2009, had 120 volunteers in 2012 and is projected to have 100 in FY 2013. Volunteers generally work in the areas of education, environmental and agricultural conservation, health, natural resource management, and business development. The Peace Corps country program was funded at \$3.2 million in FY 2012, and the same level of funding was requested for FY 2013.

Prior to March 2009, U.S. bilateral assistance to Madagascar supported democratic governance; economic growth and socio-economic development; and environmental protection. Aid provided by the State Department and USAID totaled almost \$48 million in FY2007, \$58 million in FY2008, \$71 million in FY2009, and \$91 million in FY2010. Much of this funding was directed toward health programs. U.S. assistance also supported the Ravalomanana government's environmental preservation efforts to increase the amount of protected land from 1.7 million to 6 million hectares from 2003 to 2008. The United States provided almost \$140 million in humanitarian aid and disaster response from FY1999 through FY2009.

The Ravalomanana government reportedly supported U.S. counterterrorism goals through law enforcement and financial tracking cooperation, and the country received limited U.S. security assistance focused on border and maritime security through the International Military Education and Training (IMET) program. The State Department reports that progress on countering terrorism stalled after the 2009 take-over by Rajoelina's de facto government, which has reportedly demonstrated a willingness to cooperate on law enforcement matters, but has limited capacity. The State Department finds that Madagascar has continued to serve as a source country for women and children subject to forced labor and prostitution and has determined that the current government's anti-trafficking efforts do not meet minimum standards.

Congress has expressed concern with natural resource degradation in the country, and in 2009, the House of Representatives passed H.Res. 839, condemning the March 2009 coup and the illegal extraction of Madagascar's natural resources.

Madagascar signed the first Millennium Challenge Corporation (MCC) compact, worth almost \$110 million over four years, in April 2005.<sup>52</sup> The award roughly doubled U.S. assistance to the country. The program, developed by the Malagasy government in consultation with the public, aimed to raise incomes nationwide by assisting the transition from subsistence agriculture to a market economy. It complemented Madagascar's poverty reduction strategy, which also focused on agricultural development. MCC assistance focused on securing property rights for land, improving citizens' access to credit through financial sector reform, and improving agricultural production technologies and rural market capacity. Due to the HAT's undemocratic assumption of power, MCC operations in Madagascar were suspended on March 20, 2009, and the compact was terminated in May 2009.<sup>53</sup>

---

<sup>52</sup> The MCC is an independent U.S. foreign aid agency that awards large-scale, multi-year grants to countries that pass specific eligibility criteria based on good governance, economic freedom, and public investment criteria.

<sup>53</sup> MCC had suspended compact programs in countries like Nicaragua after flawed elections; Madagascar's compact is the first to be terminated. Just under 80% of the total grant value was expended.

## **Trade**

Madagascar was eligible for preferential trade benefits under the African Growth and Opportunity Act (AGOA), including for special apparel benefits, until December 2009, when the trade benefits were suspended.<sup>54</sup> The country's nascent textile industry, which had expanded dramatically in the last decade, has been hit hard by the suspension—more than half the industry's income was drawn from exports to the United States, and by some estimates over one quarter of jobs in the country's formal economy were dependent on AGOA exports, which, in 2008, were valued at \$279 million. AGOA had helped Madagascar to increase job growth and attract foreign investment prior to the 2009 suspension, and reports suggest that many textile factories have had to cease operations in the past year. Malagasy apparel manufacturing exports to the United States plummeted from almost \$280 million in 2008 to \$40 million in 2011, with total Malagasy exports to the United States falling from \$324 million to \$87 million.

The HAT is currently attempting to foster bilateral trade development and an eventual restoration of normal trade relations. Its efforts are premised on a successful implementation of the September 2011 roadmap. It has engaged the services of the U.S. FED Group, a lobbying firm, and an associated law firm, toward this end.

---

<sup>54</sup> The U.S. Trade Representative first threatened in August 2009 to suspend AGOA benefits until democratic elections were held; the State Department reissued the warning in early December 2009. Madagascar's suspension, along with that of Guinea and Niger, which had also suffered coups, was announced later that month.

Figure I. Map of Madagascar



Source: LOC

## Author Contact Information

Lauren Ploch  
 Analyst in African Affairs  
 lploch@crs.loc.gov, 7-7640

Nicolas Cook  
 Specialist in African Affairs  
 ncook@crs.loc.gov, 7-0429