

**Dynamics in social service delivery
and the rural economy of Madagascar:
Descriptive results of the 2004 commune survey**

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INTRODUCTION

Madagascar had a turbulent year in 2004 due to climatic setbacks (the cyclones Gafilo and Elita), international conditions (increases in oil as well as rice prices) and an exchange rate depreciation. As primary data on the situation in this turbulent year are scarce, especially in rural areas, a primary survey was organized in October/November/December 2004 in 292 communes.² In each commune, a focus group was gathered which was representative of the population of the commune. Participants included in most cases representatives of the administration, health workers, teachers and peasants. The methodology was similar to the commune census of 2001 and allowed therefore for the comparison of the situation between these two years. Moreover, the health center in every commune was visited and the personnel of the center was asked to help to fill in the survey. Two public primary schools were also surveyed in each commune: one in the center of the commune and one 'remote' school that was at least 3 km away from the center. A separate questionnaire was administered at their level.

The purpose of the commune survey of 2004 was fourfold. First, we wanted to have national representation of the situation and dynamics in social service delivery, welfare and the economic situation. The stratified sampling frame of the survey in 2004 was thus set up in such a way to be representative of the situation at the regional level. To ensure geographical coverage, all fivondronana in the country were visited. The number of communes that were visited within a fivondronana was dependent on the relative size of the rural population in that fivondronana. However, a lower bound was fixed of two communes per fivondronana. The communes were randomly chosen except for about 130 panel communes that were visited in the post-crisis survey in 2002. Map 1 shows the spatial distribution of the communes that were selected in the sample.

Second, the aim of the survey was to be comprehensive and provide monitoring data for different indicators related to the education sector, the health sector, the agricultural sector, prices, welfare and governance. Given that we

have baseline data for most of these indicators, this allows us to provide descriptive statistics on dynamics. If baseline data were not available, we relied on recall questions.

Third, analysis of survey data is often hampered by significant delay and therefore lack of policy relevance. We were therefore committed to a fast delivery of results. The survey was finished at the end of December. First drafts of briefs were circulated during the month of February and March. The final report is ready in April. What we gained in policy relevance, we might maybe have lost in accuracy. We would therefore like to apologize in advance for any remaining mistakes in our analysis.

Fourth, the intended audience for this analysis is anybody concerned with the monitoring of the state of social service delivery, welfare and the health of the economy of Madagascar. We therefore made significant efforts to write clearly and to shy away from technical analysis that was difficult to comprehend for a general public. We also rely heavily on mapping methods to present our findings and results more clearly.

While there are obvious disadvantages with this type of method and survey, we believe that it however allows for a quick snapshot of the situation and dynamics in Madagascar. The qualitative results can further be complemented and quantified through the different household surveys that are currently in the field, especially the national household survey implemented by INSTAT and the agricultural census.

Finally, we would like to thank several persons that made this report possible. First, we would like to thank Benu Bidani for her continuous support throughout this project. We further would like to acknowledge Jean-Pierre Manshande, Mead Over, Patrick Ramanantoanina and Luc Razafimandimby for useful comments on earlier drafts of chapters. However, the authors are solely responsible for content. The survey and the study were financed by the Trust Fund for Environmentally & Socially Sustainable Development (TFESSD) of the World Bank.

² The aim was to visit 300 communes. However, 8 communes could not be visited due to problems with accessibility and insecurity.

EXECUTIVE SUMMARY

Madagascar had a turbulent year in 2004 due to climatic setbacks (the cyclones Gafilo and Elita), international conditions (increases in oil as well as rice prices) and an exchange rate depreciation. These events left their marks on social service delivery and the rural economy of Madagascar. While economic growth has been estimated at 5.4% in 2004, it unfortunately did not help the majority of the rural population.

Welfare and prices. The results of the 2004 communal monitoring survey show that the effects of the different shocks have had a large and negative impact on prices and welfare indicators. The lean period in rural areas this year seems to be harder than last year. Inflation in consumption goods outpaced revenues and has led to a decrease in purchasing power for a significant part of the rural population. Using agricultural wages as an indicator, purchasing power has declined by between 30% this year compared to the same period last year. The poor are poorest in the province of Fianarantsoa while they are best off in the province of Mahajanga.

Health. The visits to formal health services decreased by about one third compared to one year ago. Especially the rural public centers seem to be hardest hit. However, the majority of focus groups in the communes state that the quality of the service delivery in public health centers as well as the health situation of the population improved compared to one year and three years earlier.

The decline in visits seems most importantly due to demand shifts, more specifically the worsening of the welfare in rural areas as a high percentage of people state they can not pay for the health fees anymore. The decline in the visits seems also partly due to a lack of personnel as this was strongly involved in the vaccination campaign. Other supply indicators improved considerably compared to previous years.

A health card system was implemented in an effort to improve access to health care for the poorest people. This seems to be working to some extent in between 32% to 42% of the communes. However, the money that is allocated to this health card system is still rather small. The reasons why the health card

system does not work in the other communes seem to be related to lack of money of the health center as well as the problems of identifying the poor in the commune (due to stigma and the reportedly stringent criteria). Given the significant drop in visits, it is clear that the health card system was not able to make up for the policy changes in cost recovery and the increase in poverty.

Education. The results show that the situation in the primary education sector improved dramatically due to the efforts by the government and donors. First, an important increase in the number of students in public primary schools is noticed. Enrollments in the schools that were surveyed increased in the school year 2004/2005 by 8% compared to last year and by 35% compared to four years ago. This is significantly above population growth rates. As we are unable to control for the effect of new schools, the change in the real enrollment rate of children of primary school age is even higher. However, the enrollments this year in the first grade of primary schools has come down to levels (after controlling for population growth) of four years ago. Second, primary school completion rates increased as well as more students participated and as the passing rates increased. Third, supply conditions improved. For example, more public primary schools have access to potable water and school supplies.

Despite all these improvements, there are however still important challenges ahead. We note the most important. First, the lack of teachers is still an important constraint, especially in the more remote areas, as the student-teacher ratio has been steadily on the increase over the last four years. It seems that the government has to devise an effective incentive system to attract more teachers overall but also teachers willing to live in more isolated areas. Second, budget reform is necessary as under the current conditions the government delivers supplies, budgets and salaries for FRAM teachers systematically too late. For example, at the time of the survey (that went until the middle of December), almost none of the schools had received the school fees for the current school year. This was the same, but to a lesser extent, for the supplies of books. Third, still about 10% of the primary schools refused students, for a variety

of reasons. This is obviously difficult to justify and accept in the case of public schools.

Agriculture. Agricultural production levels seem to have been lower this year due to the incidences of cyclones and flooding. Unfortunately, the rise in agricultural prices in 2004 happened when most of the smaller farmers had sold their production. They were then faced by significantly higher consumer prices in the lean period when most of the smaller farmers become net buyers of agricultural produce. The winners were the people that stored rice until the later part of the year and production areas where rice is harvested later. Given the importance of the first group in rural areas, poverty among small farmers went up significantly in the lean period of the year 2004.

Security and justice. The government did large efforts to improve security in rural areas. It more specifically increased the number of punctual and specific interventions against criminality in the communes (Operation Dahalo, etc.), increased the number of communes controlled and improved the functioning of the formal justice system.

These policies have contributed to a slightly better security situation as more communes perceive the security situation to have improved than to have worsened during the last two years. This also shows up in objective numbers as the incidences of zebu theft declined by about 20% but compared to the period before the crisis, the incidences of zebu theft are still higher than before. The incidences of burglaries increased compared to two years ago and are at the same level of five years ago. This increase is seemingly caused by an increase in poverty over the last year.

The high insecurity in rural areas is linked with a badly functioning justice system. The use of the formal justice system is low. This lack of use is seemingly explained by a lack of trust. While the formal system has, on average, improved over the last three years, the majority of the rural focus groups still believe that the formal justice systems treat the rich different than the poor, that politicians use their power to thwart the justice system and that big cattle thieves often do not have to go to prison once they are caught. It is therefore not surprising that focus groups state they have relatively more trust in the traditional system. Hence, it seems that still a lot of work remains to be done in this area.

Map 1: SAMPLE OF COMMUNES IN COMMUNE SURVEY - 2004

