

Poverty & Equity Brief

October 2025

MADAGASCAR

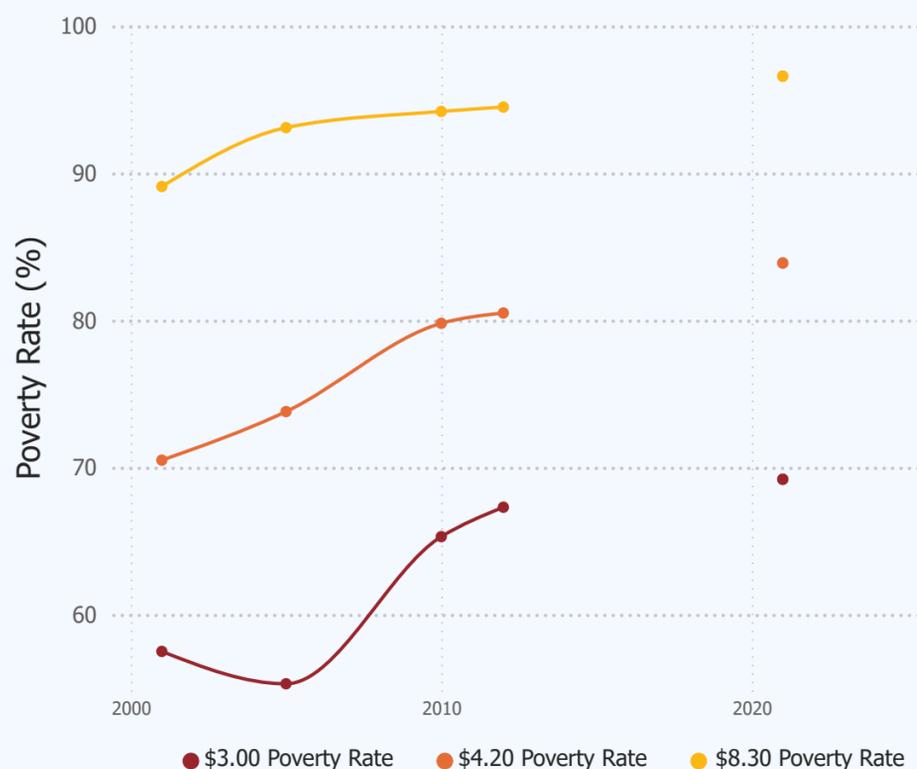
Madagascar's long-term progress in poverty reduction has largely stalled, mirroring the sharp decline in average real incomes, as GDP per capita fell from US\$812 in 1960 to US\$461 in 2025 (constant 2015 US dollars). Extreme poverty, measured at the international poverty line of \$3 per day (2021 PPP), increased from 67.3 percent in 2012 to 69.2 percent in 2021. While rural poverty remains widespread, urban areas also experienced a marked deterioration in living standards over the decade, leaving the proportion of the population living in extreme poverty among the highest in the world. Extreme poverty is estimated to have declined only slightly to 66 percent in 2025.

With a Gini index of 36.8 in 2021, down from 38.2 in 2012, inequality has declined slightly, but this is largely due to the deteriorating welfare in urban areas rather than broad-based improvements. The Prosperity Gap measure shows that incomes would need to grow by a factor of 14 to bring all Malagasy to the global prosperity benchmark of \$28 per day (2021 PPP). This underscores the persistence of deep deprivation despite moderate progress in reducing measured inequality.

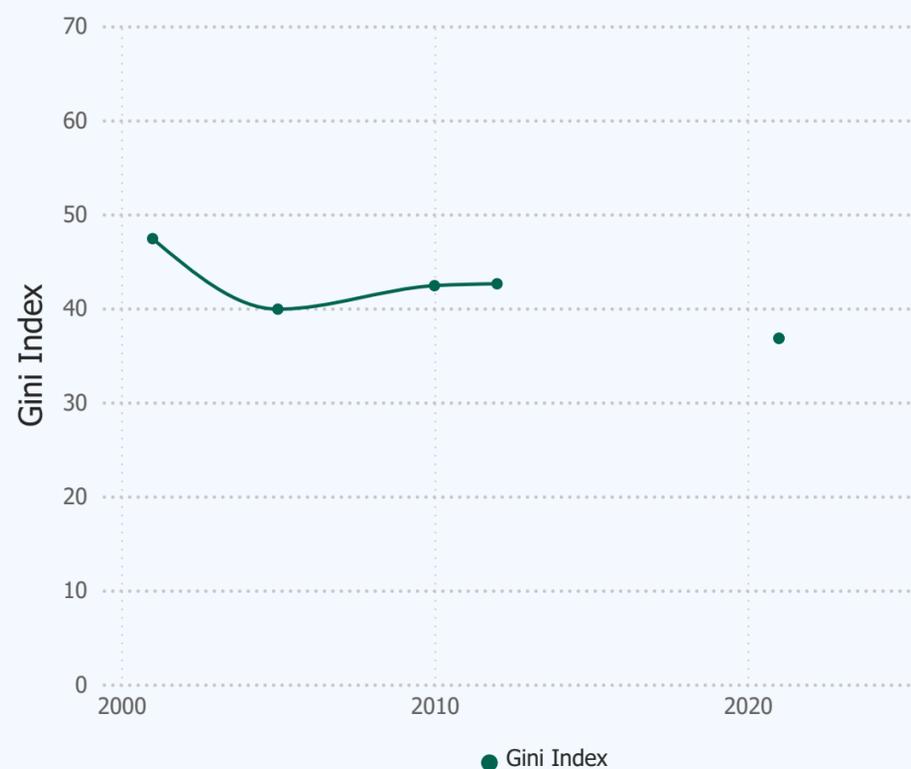
Growth remains constrained by the predominance of low-productivity sectors such as subsistence agriculture, poor infrastructure, and slow human capital accumulation, leaving it insufficient to generate the jobs needed to absorb the growing workforce—an estimated 420,000 net entrants each year—and to reduce poverty. Labor market participation also shows marked disparities, with only 51.2 percent of women active compared to 66.9 percent of men. Over 70 percent of workers earn below the poverty line, underscoring how limited wage incomes are in reducing poverty. The outlook for poverty reduction is bleak. Geopolitical risks threaten international trade and many essential services previously funded by donors have already been scaled back, weakening safety nets for vulnerable households. Additionally, inflation of over 8 percent continues to erode purchasing power and further constrain household budgets. Uncertainty over preferential market access, particularly AGOA, poses additional risks to employment, as the program supports over 120,000 direct and indirect jobs. Given entrenched structural constraints, climate shocks, and fragile macroeconomic conditions, extreme poverty is projected to remain elevated at around 65 percent in the medium term, underscoring the urgent need for policies that create better-paying jobs by boosting agricultural productivity, strengthening market linkages, and enhancing competition in key export value chains.



Poverty Rate



Inequality



Poverty at Different Lines

Poverty Line	Number of Poor (Thousands)	Rate (%)	Year
National Poverty Line	21,744.6	75.2	2021
International Poverty Line (\$3.00/day)	20,538.1	69.2	2021
Lower Middle Income Class Poverty Line (\$4.20/day)	24,902.9	83.9	2021
Upper Middle Income Class Poverty Line (\$8.30/day)	28,673.0	96.6	2021
Multidimensional Poverty Measure		79.3	2021

Group and Multidimensional Poverty

Poverty by Group	Poverty Rate (%)	Multidimensional Poverty Components	(% of Pop.)
Urban population	48.4	Daily income less than US\$3.00 per person	69.2
Rural population	74.1	At least one school-aged child is not enrolled in school	22.6
Males	69.3	No adult has completed primary education	44.9
Females	69.1	No access to limited-standard drinking water	58.5
0 to 14 years old	76.8	No access to limited-standard sanitation	80.0
15 to 64 years old	64.2	No access to electricity	62.2
65 and older	56.8		
Without education (16+)	80.5		
Primary education (16+)	69.3		
Secondary education (16+)	49.9		
Tertiary/post-secondary education (16+)	11.7		

Note:

N/A denotes a missing/removed value, while N/A* refers to a value which was removed due to having fewer than 30 observations.

The rates in the Poverty by Group table above are shown at the \$3.00 international line.

Data for the Poverty by Group table is derived from a 2021 survey and data for the Multidimensional Poverty Components table is derived from a 2021 survey.

Poverty Data & Methodology

Madagascar's National Statistical Office (INSTAT) has conducted five household expenditure surveys over the past 25 years—2001, 2005, 2010, 2012 and 2022. A new round is expected to be completed in March 2026. Poverty measurement follows the cost-of-basic-needs methodology, where the food poverty line reflects the cost of a basket providing 2,133 calories per capita, and essential non-food expenditures are added to establish the overall poverty line.

Comparing poverty rates using the 2021/2022 and 2012/2013 surveys is complicated by two factors: (i) the 2021/22 survey represents a major methodological advance, covering a much larger set of food items than earlier rounds and (ii) the CPI used to adjust for inflation relies on outdated consumption weights and was affected by methodological changes during the COVID-19 pandemic, notably the shift to phone-based data collection. To address these discrepancies, the 2012/13 consumption data were adjusted using the richer 2021/22 data and inflation was recalibrated accordingly. These revised, comparable estimates indicate that the national poverty rate increased slightly from 72.9 percent in 2012 to 75.2 percent in 2021, while the international poverty rate, at the \$3.00 per person per day (2021 PPP), rose from 67.3 to 69.2 percent.

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.