

## Digging a future? Citizens see positive impact of mining in Madagascar

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**Afrobarometer Dispatch No. 138 | Thomas Isbell**

### Summary

Madagascar represents both a paradox and a common African story. The country is blessed with some of the world's largest known natural-resource reserves, especially high-grade iron ore and precious stones such as alluvial sapphires. At the same time, its people are among the world's poorest.

According to a 2015 report by the International Monetary Fund (IMF), more than six out of 10 Malagasy suffer from extreme food poverty, three out of four live under the absolute poverty line, and nine out of 10 live on less than \$2 a day. Across Africa, only the Democratic Republic of Congo, Liberia, and Burundi fare worse in this regard (IMF, 2015). Furthermore, the IMF estimates that poverty in Madagascar increased between 2001 and 2010, going against the economic growth trend experienced by many African countries.

Given the wealth of natural resources and poverty of the people, this dispatch examines how ordinary Malagasy view the impacts of the mining sector. Does it reduce unemployment and poverty in Madagascar? Does it strengthen the domestic private sector by stimulating support services? Does it improve security in the country by mobilizing more military resources in the areas of exploitation (see Jütersonke & Dönges, 2015)?

Findings from Afrobarometer's 2014/2015 national survey suggest that most Malagasy think the mining sector contributes at least "a little" to creating jobs and reducing poverty as well as to strengthening the domestic private sector, while fewer see it as impacting security in the country. Positive views of the sector's impact are especially strong among citizens who are economically better off, who are employed, and who assess Madagascar's economic situation as good.

### Afrobarometer survey

Afrobarometer is a pan-African, non-partisan research network that conducts public attitude surveys on democracy, governance, economic conditions, and related issues across Africa. Six rounds of surveys were conducted between 1999 and 2015. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice with nationally representative samples.

The Afrobarometer team in Madagascar, led by COEF Resources, interviewed 1,200 adult Malagasy in December 2014 and January 2015. A sample of this size yields country-level results with a margin of error of +/-3% at a 95% confidence level. Previous surveys have been conducted in Madagascar in 2005, 2008, and 2013.

### Key findings

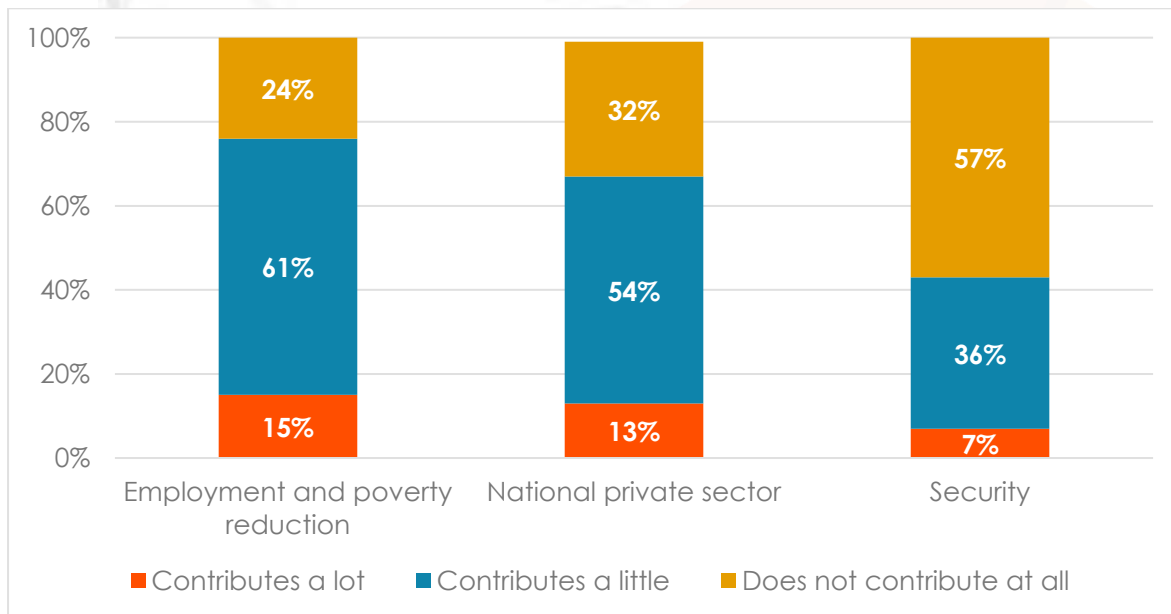
- A majority of Malagasy say that the mining sector contributes "a little" or "a lot" to creating jobs and reducing poverty (76%) as well as to promoting the national private sector (67%). Only about four in 10 (43%) believe that the sector improves security.
- Perceptions of mining's contribution as positive are higher among wealthy citizens and job-holders than among the poor and the unemployed.

- Similarly, respondents who see the country's economic condition as good are more likely to give positive assessments of the mining sector's impact on employment (92% vs. 72% of those who see economic conditions as bad), on promotion of the private sector (85% vs. 68%), and on security (61% vs. 37%).

### Mining sector's impact on job creation, private sector, and security

More than three-fourths (76%) of Malagasy say that the mining sector contributes “a little” (61%) or “a lot” (15%) to creating jobs and reducing poverty, while one-fourth (24%) say it contributes nothing in these areas (Figure 1). Two-thirds also believe that mining helps “a little” (54%) or “a lot” (13%) to promote the domestic private sector. Only four in 10 (43%) say the mining sector has a positive impact on security by mobilizing additional military resources in mining zones.

**Figure 1: Impact of mining sector | Madagascar | 2015**



**Respondents were asked:** *In your opinion, how do you think the mining sector, such as large and small mines, contributes to survival in Madagascar today, or have you not heard enough about them to say: Job creation and poverty reduction? Improved security? Promotion of the national private sector?*

While urban and rural residents share similar views on the impact of the mining sector on employment/poverty and the private sector, urbanites more commonly see a positive impact on security (48% vs. 41%) (Figure 2). Similarly, respondents with no formal education give significantly more positive evaluations of the mining sector's impact on security (58% “a little” or “a lot”) than their more educated counterparts. Younger respondents are most likely to report a positive impact on security (47% among those aged 18-29), and respondents between the ages of 30 and 55 are somewhat less likely to feel that mining strengthens the private sector.

A clearer pattern emerges with regard to respondents' economic status (Figure 3). Those who are better off (i.e. with no or low levels of lived poverty<sup>1</sup>) are generally more likely to

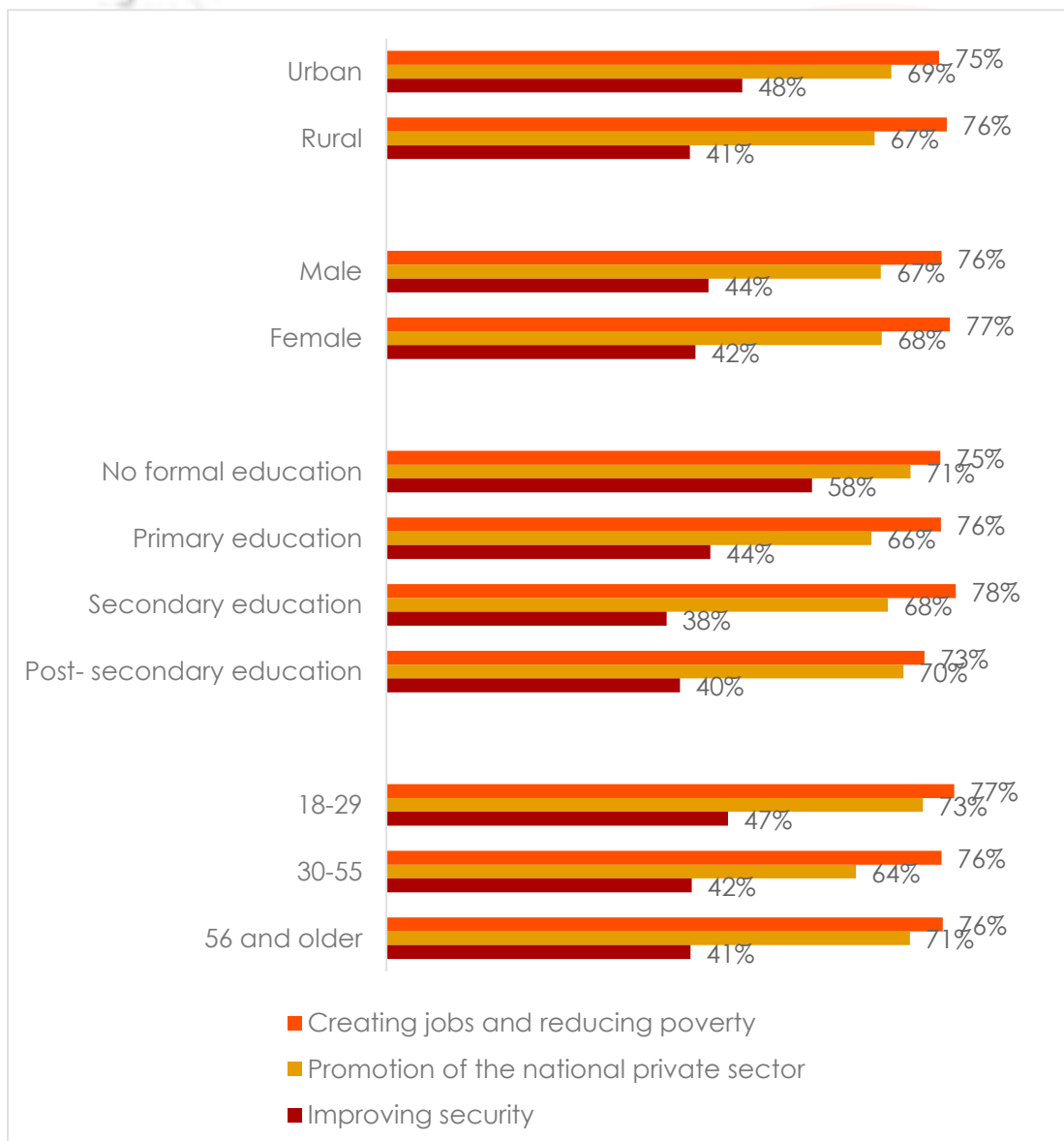
<sup>1</sup> Afrobarometer measures “lived poverty” by asking respondents how frequently they or their families went without enough food, enough clean water, medicine or medical care, enough cooking fuel, and a cash income during the previous year.

perceive a positive impact of the mining sector on employment/poverty reduction, the national private sector, and security than respondents with moderate or high levels of lived poverty.

Perceptions that the mining sector contributes to employment/poverty reduction and the national private sector are more common among job-holders, while unemployed citizens who are looking for work are least likely to see a positive impact (Figure 4).

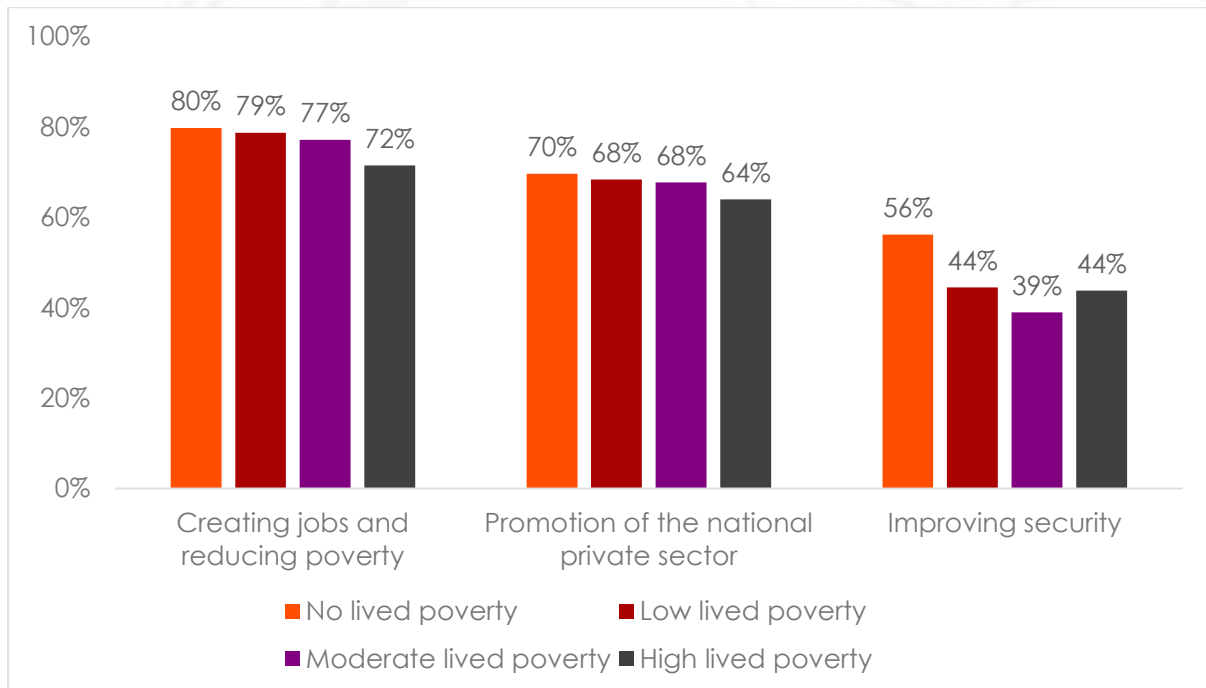
Personal fear of crime (as assessed by self-reported fear of walking in the neighbourhood and of being a victim of crime in the home) shows little to no relationship with perceptions of the mining industry's impact on security.

**Figure 2: Positive impact of mining sector | by socio-demographic factors**  
 | Madagascar | 2015



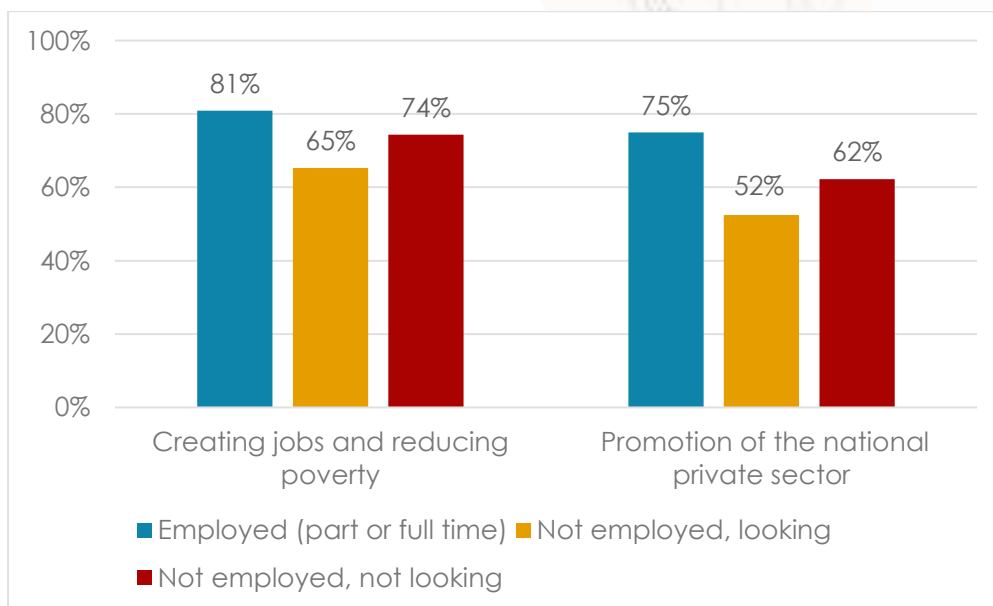
**Respondents were asked:** *In your opinion, how do you think the mining sector, such as large and small mines, contributes to survival in Madagascar today, or have you not heard enough about them to say: Job creation and poverty reduction? Improved security? Promotion of the national private sector? (% who say "a little" or "a lot")*

**Figure 3: Positive impact of mining sector | by lived poverty level | Madagascar | 2015**



**Respondents were asked:** *In your opinion, how do you think the mining sector, such as large and small mines, contributes to survival in Madagascar today, or have you not heard enough about them to say: Job creation and poverty reduction? Improved security? Promotion of the national private sector? (% who say “a little” or “a lot”)*

**Figure 4: Positive impact of mining sector | by employment status | Madagascar | 2015**



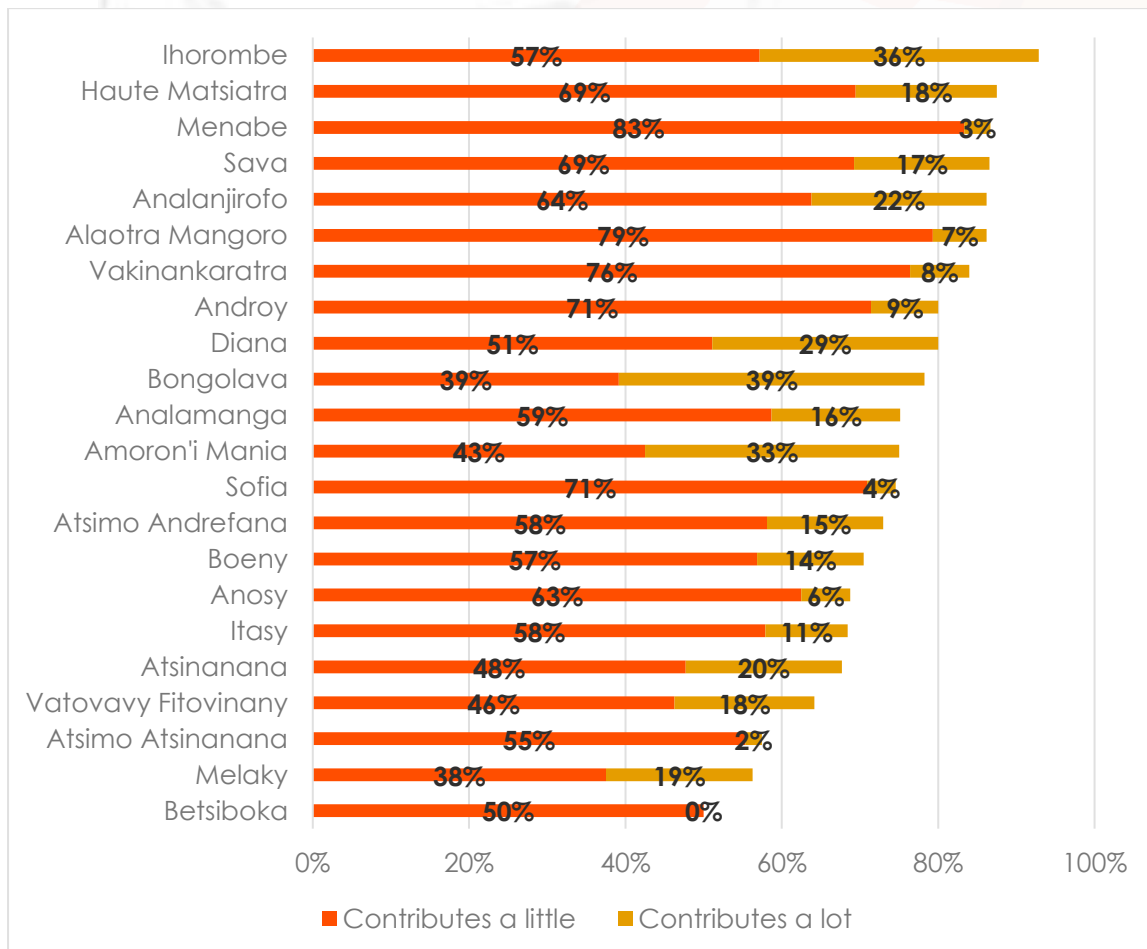
**Respondents were asked:** *In your opinion, how do you think the mining sector, such as large and small mines, contributes to survival in Madagascar today, or have you not heard enough about them to say: Job creation and poverty reduction? Promotion of the national private sector? (% who say “a little” or “a lot”)*

As might be expected, respondents in regions with large-scale industrial mining operations are generally more likely to say that the mining industry contributes to job creation and poverty reduction (Figure 5). For example, in Ihorombe, one of the world's premier areas for sapphire mining, more than nine in 10 respondents (93%) affirm a positive impact on unemployment and poverty, despite disputes with the Italian biofuel giant Tozzi Green over herder rights and land ownership that have cast a shadow over the region's relation with international investment (Erro, 2015; Environmental Justice Organisation, Liabilities and Trade, 2013; Slate Afrique, 2012).

In Haute Matsiatra, a region that is home to some of the world's largest iron-ore deposits in the Fenoarivo and Bekisopa mines, 87% of respondents say that the mining industry contributes to employment and poverty reduction.

Conversely, only about half of respondents in Betsiboka (50%) and Melaky (56%)<sup>2</sup> see such an impact, perhaps suggesting that these less developed regions may not feel they are sharing equally in benefits of mining.

**Figure 5: Positive impact of mining sector on job creation and poverty reduction**  
 | by region | Madagascar | 2015



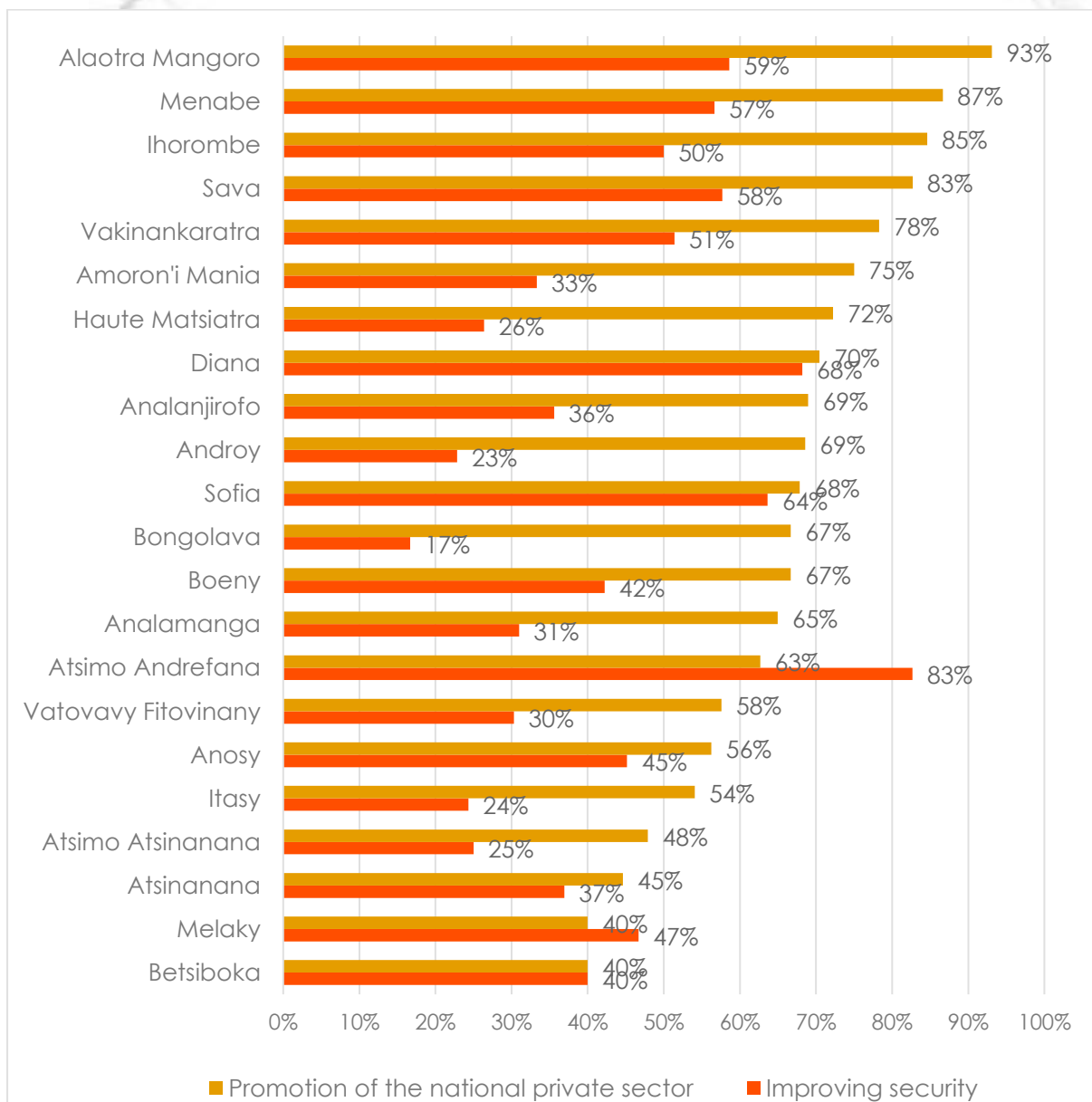
**Respondents were asked:** *In your opinion, how do you think the mining sector, such as large and small mines, contributes to survival in Madagascar today, or have you not heard enough about them to say: Job creation and poverty reduction? (% who say "a little" or "a lot")*

<sup>2</sup> Due to rounding, category percentages may differ from the sum of subcategories.

Perceptions of the impact of the mining sector on promoting the national private sector and on improving security also vary considerably across regions (Figure 6). With regard to strengthening the private sector, Ihorombe again ranks high (85% “a little” or “a lot”), along with Alaotra Mangoro (93%) and Menabe (87%), while Melaky (40%) and Betsiboka (40%) again bring up the rear.

Strong majorities in some of the country’s provinces also perceive a positive impact of the mining sector on security, including Atsimo Andrefana (83%), Diana (68%), and Sofia (64%). Conversely, fewer than one in four respondents in Itasy (24%), Androy (23%), and Bongolava (17%) feel that the mining sector has made an impact on security.

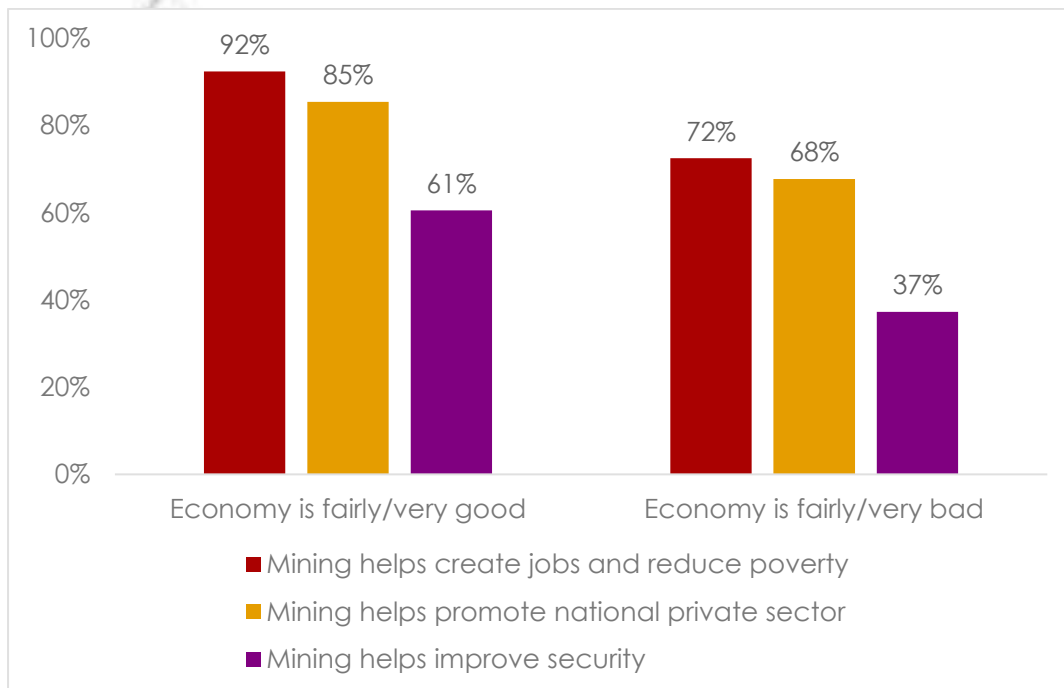
**Figure 6: Positive impact of mining on national private sector and security**  
 | by region | Madagascar | 2015



**Respondents were asked:** In your opinion, how do you think the mining sector, such as large and small mines, contributes to survival in Madagascar today, or have you not heard enough about them to say: Improved security? Promotion of the national private sector?  
 (% who say “a little” or “a lot”)

Citizens' perceptions of the mining sector's impact may be related to their assessment of how their overall economy is doing. Among Malagasy who think their country's economic situation is "fairly good" or "very good," more than nine in 10 (92%) say the mining sector contributes at least "a little" to job creation and poverty reduction, compared to only seven in 10 (72%) among those who see the country's economic situation as "fairly bad" or "very bad" (Figure 7). Similarly, evaluations of the mining sector's impact on the national private sector and security are more positive among respondents who see their national economic situation as positive rather than negative.

**Figure 7: Positive impact of mining sector on employment/poverty reduction, national private sector, and security | by views on country's economic condition | Madagascar | 2015**

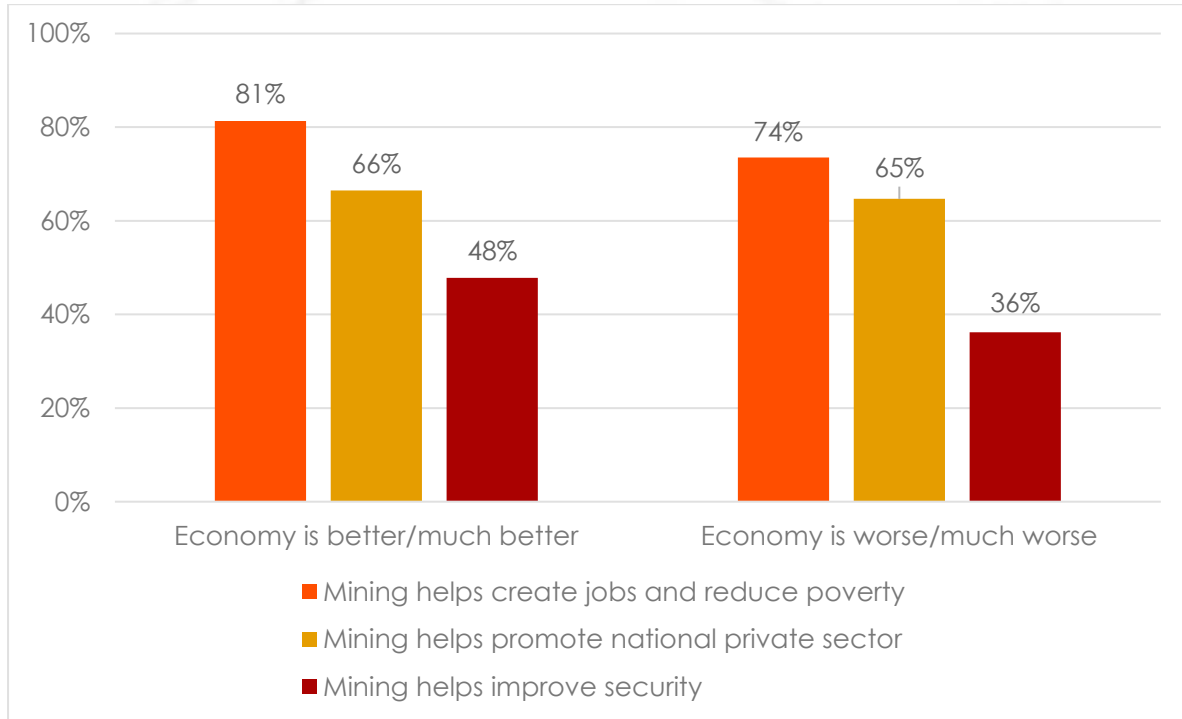


**Respondents were asked:**

- In general, how would you describe the present economic condition of this country?
- In your opinion, how do you think the mining sector, such as large and small mines, contributes to survival in Madagascar today, or have you not heard enough about them to say: Job creation and poverty reduction? Improved security? Promotion of the national private sector? (% who say "a little" or "a lot")

Similarly, Malagasy who think their country's economic situation has improved compared to a year ago also report more positive evaluations of the mining sector's impact (Figure 8). Among those who say the economy is "better" or "much better" than 12 months earlier, 81% see a positive impact of mining on employment and poverty reduction, compared to 74% among citizens who think the economy has gotten worse. The same pattern holds with regard to the mining sector's perceived impact on security (48% vs. 36%), while no difference emerges in regard to the perceived impact on promoting the national private sector (66% vs. 65%).

**Figure 8: Positive impact of mining sector on employment/poverty reduction, national private sector, and security | by views on country's economic situation compared to 12 months ago | Madagascar | 2015**



**Respondents were asked:**

- Looking back, how do you rate economic conditions in this country compared to 12 months ago?
- In your opinion, how do you think the mining sector, such as large and small mines, contributes to survival in Madagascar today, or have you not heard enough about them to say: Job creation and poverty reduction? Improved security? Promotion of the national private sector? (% who say "a little" or "a lot")

Perceptions of high levels of corruption among business leaders do not appear to diminish assessments that the mining sector contributes to employment and poverty reduction. Among Malagasy who say that "all" or "most" business executive are corrupt, 81% see mining's impact as at least "a little" positive, compared to 74% of those who believe that "none" or only "some" of the country's business leaders are corrupt (Figure 9). This pattern does not hold with regard to strengthening the national private sector, where those who see "all" or "most" business leaders as corrupt are less likely to perceive a positive impact of mining (64%) than respondents who perceive "none" or only "some" to be corrupt (66%)

Malagasy who value the contribution of economic elites to their country's development are more likely to see mining as contributing to job creation and poverty reduction (83% and 67% among those who see the role of economic elites as, respectively, "very positive" and "fairly positive," compared to 65% and 63% among those who see the role of elites as "very" or "fairly" negative). Again, the pattern with regard to improving the national private sector is not as clear.



**Figure 9: Positive impact of mining sector on employment/poverty reduction and national private sector | by perceived corruption among business leaders and role of economic elites in national development | Madagascar | 2015**



**Respondents were asked:**

- How many of the following people do you think are involved in corruption, or haven't you heard enough about them to say: Business executives?
- In your opinion, to what extent does each of the following groups of persons contribute to the development of the country: Malagasy economic elites?
- In your opinion, how do you think the mining sector, such as large and small mines, contributes to survival in Madagascar today, or have you not heard enough about them to say: Job creation and poverty reduction/Promotion of the national private sector? (% who say "a little" or "a lot")

**Conclusion**

A majority of Malagasy perceive the mining sector as helping at least "a little" to reduce unemployment and poverty and to promote the national private sector. Fewer than half feel this way about mining's impact on security. Positive perceptions of mining are less common among citizens who see the national economic situation as bad, who are poor, and/or who are not employed. Redistributive policies allowing all Malagasy to benefit from mining revenues and taxation, even in areas with little or no direct mining activity, could help stimulate growth and translate some of the richest resources in the world into tangible improvements of everyday life for some of the world's poorest citizens.

To further explore this data, please visit Afrobarometer's online data analysis facility at [www.afrobarometer.org/online-data-analysis](http://www.afrobarometer.org/online-data-analysis).

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