
Moving Madagascar Forward: Priorities for Sustainable Development and International Engagement

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Introduction

On 18 November 2015, the Africa Programme at Chatham House hosted HE Hery Rajaonarimampianina to discuss his efforts to ensure political reconciliation in Madagascar and to implement an effective economic development programme. President Hery Rajaonarimampianina was elected as Madagascar's president in January 2014. His election ended the rule of the Haute Autorité de la Transition (HAT) regime, which was established after the 2009 coup that threw Madagascar into political and economic turmoil. Although aid credits and trade privileges have been restored to the country, Madagascar remains at a transitional stage as it seeks to solidify its political stability and benefit from its vast oil and mineral resources. This is crucial to improving the livelihoods of the 72 per cent of the population that live below the poverty line, while protecting the country's unique biodiversity that could sustain a significant tourism economy.

The meeting was held on the record. The following summary is intended to serve as an aide-memoire for those who took part, and to provide a general summary of discussions for those who did not.

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HE Hery Rajaonarimampianina

The United Kingdom is the birthplace of the industrial revolution, the home to great economic thinkers, such as John Maynard Keynes and Adam Smith, and a symbol of economic and financial power in the present day. This makes it the perfect setting to discuss the challenges Madagascar faces in its efforts to relaunch the economy, achieve sustainable development and extinguish poverty.

Having faced crisis after crisis the Madagascan people have been impoverished, institutions have been diminished and the country has become disconnected from global trends. Economic stagnation has damaged Madagascar's image among investors and accompanied a decline in human development indicators. At the same time, the fact that Madagascar is an island, once a source of protection, is now isolating the country from opportunities in the global economy.

The new government of Madagascar is determined to modernize the country, achieve sustainable growth and shape a new future that later generations will be proud of. Judicious use of Madagascar's plentiful natural resources will be crucial to expanding the economy in line with the needs of the population. Development should proceed according to international norms to facilitate Madagascar's return to its rightful place in the international community. In this project, the government is ready to engage with all partners committed to sustainable and inclusive development, equitable economic growth, job creation and respect for Madagascar's unique natural environment.

It is necessary to provide a brief description of Madagascar to consider the base from which economic development can flourish. It is the fourth biggest island in the world with an area of around 6,000 square kilometres including 30 million hectares of fertile, arable land, of which only 10 per cent is currently cultivated. The island has 5,000 kilometres of coastline and its maritime territory covers an area equivalent to its landmass. Madagascar is one of the world's 10 biodiversity hotspots, as 80 per cent of the country's flora and fauna is unique to the island. In recognition of the significance of this natural capital and to aid its conservation, 7 million hectares of the country is contained in 27 national parks and 123 protected areas, seven of which are in the sea.

Despite all this potential, a large proportion of the population still lives in abject poverty and is forced to exploit natural resources in counter-productive ways. Madagascar's development agenda must, however, proceed in a manner that operates harmoniously with the environment. Efforts have begun to help communities manage their relationship with the environment by supporting business in national parks, such as the luxury tourism industry that offers a wide range of different products. Whilst the extractive sector is welcome in Madagascar, the government ensures that environmental audits are carried out before companies can start work, and all companies must sign a contract showing a willingness to return the land they use to the same state it was in when they arrived. Within these parameters, the extractive industry is a great source of economic potential. There are already investors extracting rare species of plants for the cosmetic industry; the question remains how we can build on this.

Alongside economic development, there is also a need for population-led political change that allows for national reconciliation, decentralization, and the establishment of good governance and the rule of law. For the people to be stakeholders in this project it is imperative to create jobs, spread skills and encourage small and medium-sized enterprises that add value and empower Madagascan people. Constructing an appropriate power infrastructure will be crucial to making this vision a reality. There are fossil fuels in Madagascar including oil, gas and coal, but it remains important to shift to renewable energy and attain greater self-sufficiency in this sector. Moreover, with rivers covering nearly 7,000 kilometres, it should be possible to invest in and benefit from hydropower. The country is also well placed to profit from the use of solar power.

Madagascar is underdeveloped and poor, but this has generated a determination to go forward and learn from the mistakes of those who have previously attempted to modernize. This situation requires the country to innovate, move up the value chain and improve quality of life for the Madagascan people through the creation of wealth and the redistribution of resources. This is where the international community can play a significant role, because effectively combining the experience and capital of foreign investors and entrepreneurs with the human capital and leadership of Madagascar will create a country full of opportunity. This, then, is the challenge, and the government encourages suggestions on areas for improvement and investment in the country, and welcomes all international visitors and interest.

Finally, thank you for showing interest in Madagascar. Despite the 10,000 kilometres between the United Kingdom and Madagascar, it should not be viewed as a land of adventure but a country of opportunity. Your presence here and the interest you have already shown is indeed evidence of potential partnerships that will be crucial to achieving the goal of a prosperous and peaceful Madagascar.

Summary of Question and Answer Session

Questions

What is your programme to counter the destruction of the countryside in Madagascar?

What is the evidence that your economic programme is working?

What measures have been put in place to disentangle the military from politics?

HE Hery Rajaonarimampianina

Since the 1970s there has been a lot of damage to the country and the natural environment. Forests and animals have disappeared and significant tracts of land have become unusable, inhibiting economic

growth. The cause of this devastation was poverty itself and, without criticizing past policies, decisive action is now needed to empower the population and attract investment to counter this process.

After 50 years of poverty, miracles do not happen over night. The challenges that Madagascar faces are many and include the establishment of the rule of law and good governance, the fight against corruption and, first and foremost, economic growth. Economic development is key to overcoming these other problems, but it is a long process which makes it all the more necessary to insist on a programme to break this vicious cycle of poverty and ensure social and economic transformation.

Madagascar has largely been a peaceful country. As an island it has not shared borders with other countries and has been insulated from external threat. Yet it remains challenging to ensure internal security in the everyday lives of the people. The government is already working to use the army and police force to establish security across the country and to facilitate economic development. Security must be a priority for international collaboration as well, as whether you are a tourist or an investor you need security.

Questions

Please take your message to the African Union because young people are dying in their efforts to flee Africa and reach Europe.

In what sense is Madagascar isolated, and how has it been protected due to its island position?

Can you provide an update on the proposed changes to the mining code, and comment on whether the uncertainty surrounding this regulation is holding back investment in that sector?

HE Hery Rajaonarimampianina

I will transfer the message not just to the African Union but to the whole world, as it is relevant to all of humanity.

Madagascar's insularity has protected it from external ravages. Therefore it is still home to significant amounts of natural capital and resources that can be preserved and exploited for the good of the population.

There is already a mining code in place, but it is necessary to make it more competitive and attract the maximum investment in the sector. The new mining code is about to be submitted to the national assembly and will be adopted as soon as possible.

Questions

Can you highlight the challenge of establishing democratic power against vested interests and plans against it?

Can you comment on the future of sanitation in Madagascar?

HE Hery Rajaonarimampianina

Democracy is fundamental to further economic development, yet as long as most of the population live in extreme poverty it will be very difficult for democracy to establish roots. Poverty must therefore be overcome before the establishment of a fully democratic nation. The enlargement of democratic space should begin with national reconciliation, and focus on institution building and rule of law. In particular, engendering justice is a top priority, but this will only occur with economic development.

As president of the republic of Madagascar, I am personally engaged in prioritizing sanitation in Madagascar. Sanitation has many aspects, not only the requirement for clean water, and this necessitates a programme that considers the needs of all stakeholders.