SELF-EMPLOYED WORKERS IN MADAGASCAR : HISTORICAL DYNAMICS, SOCIAL ASPECTS, AND SOCIAL PROTECTION CHALLENGES

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ABSTRACT

The situation of self-employed workers in Madagascar demands thorough scientific examination, given the intricate mix of historical, economic, and contemporary social factors. With almost 90% of the labor force operating informally, this segment is both an economic cornerstone and a critical target for regulation, social security, and enhanced welfare. This investigation explores the obstacles and possibilities for incorporating these workers into a resilient social protection framework. The methodology integrates historical and policy review, direct field observations, and an evaluation of current reforms, including pilot projects and earnings-based payment models. Results show continued exclusion from formal safety nets, low consciousness of entitlements, and major systemic hurdles. However, pilot efforts and progressive changes indicate a viable path toward a more inclusive system that tackles fundamental risks like healthcare, old age, and workplace injuries, while focusing on at-risk groups such as street vendors, artisans, farmers, and day laborers. The analysis underscores that participatory methods, community dialogue, and flexible systems are indispensable for fostering trust and guaranteeing lasting viability.

Keywords : *self-employed workers, social protection, Madagascar, informal economy, policy reform*

INTRODUCTION

The precarious status of Madagascar's self-employed workers necessitates a comprehensive scientific inquiry, driven by the complex interplay of historical legacies, contemporary economic pressures, and evolving social conditions. With informal employment encompassing nearly 90% of the workforce, this sector constitutes a fundamental pillar of the national economy and a critical strategic focus for effective regulation, inclusive social protection, and the enhancement of overall living standards. A profound understanding of this reality, however, transcends mere statistical description; it demands a critical examination of the institutional structures that systematically govern, and often effectively exclude, these vital socio-economic actors. This article, therefore, aims to conduct a multi-dimensional analysis of the self-employed condition in Madagascar, specifically to illuminate the systemic obstacles and latent opportunities for integrating this vast demographic into a sustainable and responsive social protection framework. Our methodological approach is built upon three complementary pillars designed to provide a holistic view. The first involves a detailed historical and legislative analysis, tracing the evolution of self-employment policies to assess how regulatory frameworks, including recent adaptations, have shaped the formal recognition and rights of these workers. The second pillar is empirically grounded, leveraging data from field studies and direct observations to capture the quotidian realities of self-employed individuals, their often-precarious working conditions, and the informal coping strategies they develop in the absence of a formal safety net. The third and final pillar critically evaluates ongoing reforms and pilot projects aimed at extending

social coverage, scrutinizing the implementation challenges, operational barriers, and necessary adaptations to tailor a national model that addresses the specific vulnerabilities of marginalized groups—such as street vendors and small-scale farmers—while ensuring the long-term fiscal and institutional viability of the proposed systems.

I. LEGAL AND HISTORICAL FRAMEWORK

I.1. Colonial Origins and Early Laws

The development of Madagascar's labor landscape was profoundly shaped by French colonial administration, which instituted legal frameworks designed to regulate the indigenous workforce. The country's inaugural Labor Code, established in 1952, stands as a seminal legislative artifact of this era, deeply reflective of its underlying power dynamics. Conceived within a colonial legal tradition, this code was fundamentally oriented toward controlling and managing the local population, which was often perceived as a resource to be harnessed rather than a citizenry to be safeguarded.

Concurrently, the genesis of social protection in the 1950s saw its benefits narrowly confined to salaried workers within the industrial and public sectors. This selective implementation systematically excluded the vast majority of the population, particularly those engaged in agriculture and informal activities. Consequently, a profound disparity in access to rights and social security was institutionalized from the outset, cementing deep-seated inequalities between different segments of the workforce.

Thus, while the 1952 Labor Code marked a step towards the formalization of employment relations, it simultaneously codified the tensions and economic imperatives of the colonial period. Its legacy is one that long overlooked the realities and needs of the self-employed, especially those in rural areas, establishing exclusionary patterns that would persist long after independence.

I.2. From Independence to Modernization

The evolution of Madagascar's labor code since independence demonstrates a persistent *legislative path dependency*, where post-colonial reforms have been unable to break from the exclusionary binary established during the colonial era. While the revisions in 1994, 2004, and 2024 introduced new rights and aligned with international standards, they have primarily modernized the formal sector, thereby inadvertently reinforcing the foundational distinction between the protected employee and the unprotected self-employed worker. This legacy has resulted in a *regulatory void* for the vast informal sector, a space where informal and often predatory governance structures thrive, leaving self-employed workers without legal recourse and distorting the broader market. This void is acutely felt in the realm of social protection, where a profound *formalization paradox* emerges. The state's goal of integration is hindered by the fact that applying traditional, contribution-based formal systems to the self-employed often imposes costs and rigidities antithetical to their survival strategies. Consequently, voluntary or sector-specific mechanisms have seen limited success, as they fail to address the fundamental mismatch between the volatile, low-income nature of self-employment and the static requirements of conventional social security models. The 2024 revision, in this light, can be viewed as a missed opportunity to pioneer the adaptable mechanisms necessary to overcome this paradox.

Moving forward, closing this protection gap requires a foundational rethinking of legal categories rather than merely amending existing frameworks. A promising avenue is the creation of a *third legal category* for "economically dependent workers," which would grant a core set of protections without the full burden of traditional employment law. Such a nuanced approach, potentially built upon any nascent recognition of new work forms in the latest code, would provide the legal basis for a tailored system. This system must prioritize flexible contribution mechanisms and address key risks like health and occupational accidents, thereby building trust and ensuring the long-term economic and institutional sustainability of social protection in Madagascar.

I.3. Recent Reforms and Challenges

The recent structural reforms in Madagascar, culminating in the 2024 Labor Code, signify a pivotal shift from historical exclusion toward the deliberate, albeit challenging, integration of the self-employed into the social fabric. This new legal framework moves beyond merely acknowledging the informal sector's dominance; it actively incorporates contemporary realities like teleworking and umbrella companies, thereby establishing a fairer and more relevant foundation for professional relationships. By introducing dedicated titles for health, safety, and organizational flexibility, the code creates essential legal channels to extend core protections—pensions, health insurance, and accident compensation—to a workforce long operating in a regulatory void.

A cornerstone of this modernized approach is the principle of adaptable implementation, designed to navigate the *formalization paradox*. Recognizing the volatile incomes of self-employed workers, the framework permits graduated social contributions, allowing individuals to align payments with their economic capacity. This flexibility is crucial for transforming well-intentioned laws into accessible tools, preventing new protections from

becoming punitive financial burdens. However, the success of this progressive contribution model is not automatic; it hinges on deliberate administrative facilitation to simplify enrollment and payment processes, making participation a viable choice for street vendors, artisans, and farmers.

Ultimately, the transition from a sophisticated legal framework to tangible on-the-ground impact constitutes the paramount challenge. Effective implementation demands a concerted, multi-stakeholder mobilization that bridges the gap between central policy and local reality. This requires coordinated action to raise awareness of new rights, build trust in formal institutions, and ensure that public measures are synergistically supported by community-level initiatives. The long-term viability of this entire endeavor depends on this collaborative ecosystem, which will determine whether these landmark reforms can finally build a sustainable and inclusive social protection system for all Malagasy workers.

I.4. Institutional Framework and Concrete Mechanisms

The National Social Security Fund is central to restructuring social protection in Madagascar, yet its historical focus on salaried workers has inherently limited its reach. To overcome this legacy, a strategic pilot program was launched in the Vakinankaratra region in 2022, marking a deliberate shift towards inclusion. The selection of this socio-economically representative region underscores a methodological approach to reform, allowing authorities to rigorously test mechanisms for self-employed workers in a real-world context before contemplating a complex national rollout. This pilot serves as a critical living laboratory for adapting the National Social Security Fund model.

The core strategy of this initiative hinges on proactive engagement and education, moving beyond a purely administrative rollout. Recognizing that trust and understanding are prerequisites for participation, the program employs a series of targeted awareness-raising activities. These initiatives are strategically designed to first engage organized bodies such as professional unions and agricultural cooperatives, which act as multipliers and trusted intermediaries. The primary goal is to demystify the social protection system, clearly articulate its benefits, and foster a sense of ownership at the community level, thereby laying a crucial foundation for voluntary adoption.

The ultimate success of this pilot, however, extends beyond initial awareness. Its true measure lies in generating actionable data on enrollment rates, contribution compliance, and the accessibility of benefits for diverse professions like farmers and artisans. The insights gained are vital for identifying practical barriers—such as payment logistics or claim procedures—and for refining the adaptable contribution models envisioned by the new labor code. The Vakinankaratra experiment thus represents a foundational step, whose findings will directly inform the scalability and long-term financial sustainability of an inclusive social protection system managed by The National Social Security Fund.

II. QUANTITATIVE DATA

II.1. Methodology

From 2023 to 2025, empirical field studies engaged self-employed workers across multiple Malagasy regions to document the lived realities of an economy dominated by informality. This qualitative research captured a diverse range of profiles—from small-scale traders and artisans to autonomous service providers—offering a representative panorama of the non-salaried sector. By employing a semi-structured discussion method, the study moved beyond mere statistics to gather rich testimonies and personal experiences, thereby illuminating the profound precariousness that defines the relationship between these workers and institutional structures.

The dialogues provided critical insights into the cognitive and perceptual landscape of the workers. A central finding was a significant gap between their understanding of social rights and the obligations defined by existing legal frameworks, revealing a widespread lack of awareness that fuels mistrust and disengagement. When discussing ongoing social reforms, workers expressed a clear duality of perspectives : a deep-seated aspiration for greater security concerning health, retirement, and occupational accidents was consistently tempered by acute anxiety over the affordability of mandatory contributions. This tension between the desire for protection and the fear of financial strain emerged as a pivotal factor influencing the potential acceptance of new systems.

Ultimately, the research identified a triad of structural barriers that collectively hinder formalization and access to social protection. These obstacles are not merely financial but also encompass complex administrative procedures and a critical information deficit. The convergence of these challenges—high costs, cumbersome bureaucracy, and a lack of accessible knowledge—paints a clear picture of the systemic blockages that must be addressed. These findings establish a set of priority areas for public policy, indicating that future interventions must be holistic, combining financial flexibility, administrative simplification, and robust awareness campaigns to be effective.

II.2. Main Results

II.2.1. Institutional Structures and Actual Coverage

In Madagascar, a profound protection gap exists where over 90% of the active population, comprising self-employed workers, fuels the economy yet remains almost entirely outside conventional social security systems, which cover a mere 7% of citizens. This stark exclusion presents a fundamental challenge to national socio-economic stability. In a decisive response, the Malagasy government launched an ambitious reform of the social protection code in 2024, explicitly mandating the extension of benefits to the self-employed, with a priority focus on the rural and agro-industrial sectors that form the backbone of the national workforce. This legislative shift marks a critical turning point from decades of institutional neglect toward a policy of deliberate inclusion.

The operationalization of this new mandate is being pioneered through regional pilots, such as the initiative in Vakinankaratra, which serves as a vital testing ground. This model allows self-employed individuals to voluntarily enroll in mutual funds for a modest monthly contribution of 4,500 Ariary, granting access to essential healthcare and hospitalization—a direct response to one of their most acute vulnerabilities. While the strategic objective is full integration into all social systems by 2030, the current institutional architecture reveals inherent fragilities. The system relies on a limited network of public actors like the National Social Security Fund and the *Mutuelle de Santé Iray*, supplemented by partnerships with local associations, highlighting a capacity constraint that must be addressed for nationwide scaling.

Ultimately, the findings from awareness campaigns in these pilot areas underscore that the core challenge is not merely technical or financial, but profoundly political. Success hinges on championing a new paradigm of socio-economic equity for populations historically marginalized by public policy. While institutions are demonstrably moving toward a more inclusive approach, the journey is nascent. The unresolved issues of long-term resource allocation, administrative capacity, and the financial sustainability of these mechanisms represent the next frontier, determining whether this ambitious vision can transition from a pilot-phase promise to a durable and transformative reality for the Malagasy people.

II.2.2. Understanding, Perceptions, and Legal Expectations

The integration of self-employed workers into Madagascar's social protection system faces a profound informational and educational barrier. Data reveals a critical knowledge deficit, with a mere 5-7% of workers understanding the conditions and procedures for social coverage, and over half unaware of their benefits or contribution obligations. This challenge is compounded by the fact that nearly half have a low level of formal education, complicating the dissemination of institutional information. Consequently, the prevailing perception remains that social protection is a privilege reserved for formal employees, fostering widespread distrust and a reluctance to engage with official systems due to fears of burdensome and financially precarious interactions with tax authorities.

This information vacuum and institutional mistrust have solidified a reliance on informal safety nets. To compensate for the deficiencies of the national system, a majority of self-employed workers depend on collaborative community networks and traditional solidarity mechanisms. However, this does not signify a rejection of formal protection. On the contrary, there is a genuine and growing demand for reform; nearly two-thirds of workers in pilot regions express a clear desire to access tailored retirement, health, and family benefits. This expectation is particularly acute among female entrepreneurs and small farmers, who demonstrate a pressing need for security against illness, accidents, and aging, indicating that the demand for a responsive system is both widespread and urgent.

This creates a pivotal opportunity to bridge the gap between community-based practices and state-led systems. The expressed desire for flexible, adapted benefits, coupled with administrative support, provides a clear blueprint for policy design. Furthermore, a significant trend emerging from recent consultations is a growing willingness to pool resources and make voluntary contributions to ensure greater personal and collective independence. This shift in mindset, from reliance on purely informal networks to a openness to structured, contributory models, suggests a fertile ground for building hybrid systems that leverage existing social capital. The central task for policymakers is to harness this emerging demand by co-designing mechanisms that are not only flexible and affordable but also perceived as trustworthy and directly responsive to the articulated needs of the workforce.

II.2.3. Barriers to Formalization and Actual Access to Social Protection

In Madagascar, the profound informality of the economy, where over 90% of workers are in the informal sector, presents a fundamental barrier to institutional social protection, a system currently serving only 800,000 formal employees registered with The National Social Security Fund. The vast majority of self-employed workers operate without a legal status, with less than 35% formally registered for taxation or potential affiliation, leaving them without official coverage for retirement or health. A critical obstacle to contributory models is the severe economic

precarity of this group, as 75% live below the poverty line, making a consistent financial commitment to social security exceptionally difficult. While The National Social Security Fund and the Ministry of Labor have initiated information programs in pilot regions like Sava, Vakinankaratra, and Atsinanana since 2024, a functional registration and contribution system for these groups has yet to be deployed, and studies indicate that 55% of freelancers abandon formalization due to administrative complexity or a lack of support.

Compounding the financial and administrative hurdles is a pervasive information deficit. Field surveys from 2023 to 2025 reveal that more than 60% of self-employed workers have never attended an information session and are unaware of social protection projects in their area. Consequently, only a quarter of respondents could name a single service offered by the upcoming reform, despite a governmental consensus on these long-term rights. The dissemination of information is currently uneven, relying on the variable performance of local organizations. In response, strategic research supported by The National Social Security Fund and international partners is underway to precisely estimate the cost of affiliation for informal sectors and project engagement rates, with preliminary data underscoring the need for segmented affiliation methods and a pedagogical approach tailored to each province's professional diversity.

The extensive data collection from 2024–2025 is therefore central to designing a viable system. Consultations, such as those with over 500 association members in Sava, provide critical insights: while 68% express a desire for retirement and health insurance, they find the proposed contributions too high relative to their income, and 74% demand simplified procedures and explicit service guarantees. According to The National Social Security Fund projections based on these initial studies, a reform implemented before 2027 could extend coverage to up to three million individuals, representing about one-third of the workforce. The ongoing initiatives in information, financial modeling, and impact analysis thus form an essential scientific foundation to ensure both broad social inclusion and the long-term financial viability of the system, demonstrating the indispensable role of empirical data prior to implementation.

II.2.4. Expressed Needs

Retirement and Old Age (81%)

Guaranteeing financial security for retirement is a paramount concern for self-employed workers in Madagascar, with a striking 81% identifying it as a major priority. This widespread anxiety stems from a reality where most lack any form of personal savings or guarantees to ensure income when their activity ceases. The situation is exacerbated by profoundly insufficient institutional coverage, as 7 out of 10 active workers remain outside the current CNaPS scheme and fewer than 4% benefit from any community-based or local retirement plan. This vulnerability is magnified by the broader national context, characterized by limited social protection for those over 60 and a restricted life expectancy, which underscores the crucial importance of a functional retirement system to prevent profound economic hardship for entire households. Sociologically, this reflects a deep-seated uncertainty about the future, where financial dependency on extended family or informal networks remains the default, yet increasingly fragile, safety net. In direct response to this critical gap, a law under revision proposes establishing compulsory retirement contributions within the future social protection code. This legislative shift marks a pivotal step forward but necessitates a fundamental transition toward an inclusive system that is uniquely adapted to the informal economy. Its ultimate success hinges on designing a framework with inherent flexibility to accommodate the high variability of incomes and irregular work rhythms that define self-employment, ensuring that the system is both accessible to workers and financially sustainable for the long term.

Access to Health Care (78%)

Access to healthcare is the second most critical need for Madagascar's self-employed, identified by 78% of respondents and highlighting a urgent demand for universally accessible and financially feasible services. This demand exists within a stark reality of exclusion: the vast majority rely solely on out-of-pocket payments for local care, with a mere 6% covered by community-based health insurance and less than 10% able to seek medical consultation without facing financial catastrophe. This systemic exclusion is driven by the twin barriers of prohibitive direct costs and the non-recognition of self-employed workers within existing social protection frameworks. Even pilot initiatives in regions like SAVA and Vakinankaratra, which offer voluntary enrollment for a modest 4,500 ariary monthly contribution, have achieved enrollment below 20% of their target. This low uptake underscores that the challenge extends beyond design to profound issues of awareness and severe budgetary constraints among the population. Consequently, this unmet health need epitomizes the severe vulnerability of the self-employed, who are routinely compelled to choose between immediate survival expenses and the essential health investments necessary to protect their long-term economic security and well-being.

Occupational Accident Coverage (62%)

The significant demand for security against workplace accidents, reported by 62% of self-employed workers, underscores a critical vulnerability within high-risk domains such as craftsmanship, transport, construction,

agriculture, and fishing. These individuals frequently operate under precarious conditions, lacking essential safety equipment or prevention strategies, which exposes them to incidents that can result in permanent disability or catastrophic income loss. Presently, no specific insurance mechanism covers occupational accidents for this population, and fewer than 3% have obtained private or community-based coverage. Analyses from pilot areas, including Sava, Amoron'i Mania, and Analanjirofo, reveal a pervasive fear among workers regarding the severe financial repercussions of an accident, which could halt operations and plunge their households into debt. A fundamental legal barrier to addressing this gap is the non-recognition of self-employed workers as "exposed employees" under the current Social Protection Code (Law n° 94-026), which excludes them from related benefits. Consequently, the ongoing legal reform aims to integrate this essential aspect, exploring models that include contribution suggestions adjusted to the specific level of risk inherent in different professions.

Family Support (44%)

The demand for family support, articulated by 44% of self-employed workers, highlights a critical social protection gap in areas such as childcare, eldercare, and assistance for dependents. This need is deeply rooted in Madagascar's socio-economic fabric, where high poverty rates and traditional family structures place immense pressure on individual earners. With 75% of the population living below the poverty line, the extended family system, while a vital informal safety net, is often stretched to its limits in supporting multiple generations. This pressure is acutely felt by self-employed workers, for whom the absence of formal family benefits intensifies financial strain and limits economic mobility. The situation is particularly severe for women, who represent a significant proportion of household heads in commerce and craftsmanship, and who must simultaneously manage productive labor and unpaid care responsibilities without institutional support.

Currently, the institutional framework for family support systematically excludes the vast majority of the workforce. Family allowances are a privilege reserved for the formal sector, covering less than 10% of the total workforce and leaving self-employed workers without access to crucial benefits such as birth allowances, school support, or stipends for elderly dependents. Research conducted by The National Social Security Fund and the Ministry of Labor confirms that this exclusion is a source of significant inequity, with self-employed workers expressing a strong aspiration for fair access to such social goods. However, extending these benefits poses a formidable challenge for policymakers, primarily revolving around questions of financial viability and effective targeting. The highly irregular and often undocumented income patterns that characterize self-employment make it difficult to design a contributory system that is both fair and sustainable.

In response to these complexities, strategic discussions for the 2023–2025 period are moving beyond traditional, contribution-based models. The focus has shifted toward designing innovative mechanisms that can accurately identify and support the most vulnerable. Proposed strategies increasingly advocate for conditional cash transfer systems or targeted direct payments based on verifiable vulnerability indicators, such as household composition, school attendance, or geographic location. These approaches aim to bypass the inherent difficulty of assessing fluctuating incomes by focusing on need rather than contributory capacity. The ongoing challenge is to refine these targeting tools to ensure they are administratively feasible, minimize errors of inclusion and exclusion, and ultimately deliver meaningful support to those self-employed workers whose economic security is most precarious.

III. ONGOING REFORMS AND PERSPECTIVES

III.1. Pilot Phase in Three Regions

The implementation of a trial phase across three strategically selected regions embodies a methodological approach to refining Madagascar's social protection model for its vast self-employed workforce. The choice of these regions—encompassing rapidly growing urban centers, rural agricultural zones, and areas with high concentrations of artisans—is deliberate, designed to test the system's adaptability across the nation's full socio-economic spectrum. This territory-focused strategy functions as a real-world laboratory, enabling policymakers to meticulously examine enrollment practices, assess the capacity of local institutions, and recalibrate management tools to fit diverse local contexts. The core objectives are multifaceted: to evaluate the practical effectiveness of new mechanisms, verify beneficiaries' comprehension of contribution procedures, and pinpoint the most persistent administrative and structural barriers to formalization.

From a logistical and governance standpoint, the pilot's success is contingent upon a deeply collaborative ecosystem that integrates national institutions, local authorities, and the professional unions representing self-employed workers. Regional steering committees form the operational backbone of this effort, overseeing activities, collecting granular feedback, and ensuring the voices of workers directly inform the process. This participatory framework is not merely operational but profoundly political; it is essential for legitimizing the reform and building the foundational trust required for voluntary enrollment. The field feedback generated through this collaboration is invaluable, providing direct insights that drive the simplification of procedures, the

optimization of communication strategies, and the constant adjustment of policy tools before any costly national rollout.

Ultimately, this experimental phase is an exercise in collective learning, designed to de-risk the larger ambition of nationwide expansion. The detailed observations gathered from these three zones on issues such as contribution compliance, local administrative performance, and community-specific concerns will serve as the definitive guide for the second phase. By identifying what works, what fails, and why in these controlled environments, the government can design a more resilient, sustainable, and genuinely inclusive social coverage system. The goal is to ensure that the final model is not a one-size-fits-all mandate but a flexible framework, proven effective in the field and capable of protecting a significant portion of the workforce upon its scheduled national deployment.

III.2. Income-Based Contribution System

The proposed income-based contribution system represents a foundational shift towards equity and sustainability in social protection for Madagascar's self-employed. By tethering contribution costs directly to actual profits rather than imposing fixed rates, the model directly addresses a primary barrier to enrollment: the economic incapacity of low-earning workers to meet standardized payments. This approach is particularly vital for activities with seasonal or irregular income streams, as it aligns financial obligations with real-world earning patterns. However, the system's viability hinges entirely on the creation of a reliable and context-appropriate mechanism for income assessment and reporting. This presents a significant implementation challenge, given that the financial activities of the target population are often unofficial and poorly documented, requiring innovative solutions to gather accurate data without replicating the burdens of formal accounting.

To overcome this hurdle, the model's success will depend on reconciling administrative simplicity with data integrity. The strategic use of digital tools for payment and declaration, coupled with strong partnerships with local associations and financial intermediaries, is essential for securely collecting financial data while minimizing the bureaucratic burden on beneficiaries. Such a framework aims to streamline processes and reduce the risks of errors or fraud, making compliance less daunting. Ultimately, this effort to create a fair and flexible administrative process is not merely technical but deeply psychological; it is fundamental to fostering a perception of social justice. When workers see contributions as proportional to their capacity, it builds crucial trust in the system's fairness, which is a prerequisite for widespread voluntary participation.

The long-term strategic value of this income-based model lies in its dual capacity to promote inclusion and ensure financial stability. By eliminating the disincentive of fixed fees, the system is capable of gradually accommodating a vast and diverse range of new beneficiaries, from the lowest-earning vendors to more successful artisans. This flexibility prevents the exclusion of the most vulnerable, which is a common failure of traditional systems. Simultaneously, by anchoring the scheme's revenue to the actual economic output of its members, it creates a financially sustainable foundation that grows with the informal economy itself. This careful balance between equitable access and fiscal responsibility not only enhances the system's durability but also encourages long-term enrollment, as workers perceive a direct and manageable link between their contributions and their future security.

III.3. Gradual Coverage of Main Risks (Health, Retirement, Work Accidents)

The extension of social protection to Madagascar's self-employed workforce is being guided by a pragmatic, gradualist strategy that carefully balances ambition with institutional and financial viability. This approach consciously prioritizes the management of the most immediate and catastrophic risks—namely, access to healthcare and coverage for occupational accidents—before expanding to more complex, long-term liabilities like retirement pensions. This sequential prioritization directly addresses the daily vulnerabilities faced by workers while allowing the system's management and financing processes to be strengthened incrementally. By starting with specific, tangible interventions such as basic medical assistance or accident compensation, the reform facilitates adoption by both beneficiaries and operational partners, building a track record of reliability and demonstrating immediate value.

This step-by-step methodology functions as an ongoing learning process, where initial feedback from pilot phases is critically used to refine the technical, financial, and regulatory modalities required for subsequent expansions. The lessons learned from rolling out health and accident coverage provide invaluable data for designing a sustainable retirement model that is tailored to the irregular income patterns of the informal sector. This iterative cycle of implementation, evaluation, and adjustment embodies a pragmatic strategy for social change, one that consolidates the credibility of the entire reform process. By aligning the scope of the scheme with demonstrable national capabilities, it fosters trust among all stakeholders and encourages gradual yet steady enrollment.

In the long term, this phased development is designed to culminate in a consolidated and universal protection framework. The ultimate objective is the integration of risk-specific schemes—from health and accidents to retirement—into a unified system that embodies the principle of national solidarity while being firmly grounded in contributive responsibility. This foundational structure promises a more resilient and inclusive social contract.

By building from a proven base of managed, urgent risks towards a comprehensive safety net, the strategy aims to establish a sustainable foundation for universal protection that can withstand economic fluctuations and truly meet the diverse needs of Madagascar's self-employed population.

III.4. Targeting High-Risk Groups : Street Vendors, Artisans, Farmers, Casual Workers

A foundational pillar of the social protection reform is the precise identification of high-risk groups to ensure resources are directed to the most vulnerable. These groups include street vendors, who face daily health and financial hazards with low profit margins; artisans and farmers, whose livelihoods are threatened by market fluctuations and natural disasters; and casual workers, who endure profound economic instability. For each segment, the system must be tailored—offering street vendors protection adapted to seasonal income, providing farmers with a safety net that preserves community stability, and creating flexible contributive formulas for casual workers' irregular earnings. By focusing on these populations, the reform directly tackles the most severe protection disparities and maximizes its social impact.

However, simply designing a system is insufficient; its success hinges on active support through comprehensive information and training initiatives. Targeted information programs are crucial to educate workers on their new rights and the enrollment process, thereby dispelling mistrust rooted in past exclusion. This is effectively achieved through proximity communication via trusted community platforms. Concurrently, training sessions for both system administrators and worker representatives build essential skills in procedures, contribution management, and service monitoring. This capacity-building reduces operational errors and empowers local intermediaries to guide their peers, fostering a sense of ownership and ensuring better overall system performance.

Ultimately, the reform's legitimacy and effectiveness are secured through a sustained participatory approach centered on local consultations. These dialogues create an essential feedback loop between national institutions and grassroots stakeholders, allowing for the continuous adaptation of mechanisms to regional realities. This process does more than just highlight emerging challenges ; it actively engages communities in jointly developing practical solutions that reflect their expressed needs. By ensuring that national directives are informed by and aligned with local initiatives, this collaborative model transforms the reform from a top-down mandate into a shared enterprise, building the trust required for long-term adoption and sustainability.

CONCLUSION

The recent evolution of social protection reforms in Madagascar marks a pivotal shift, finally recognizing self-employed workers as crucial economic actors and rightful beneficiaries of social rights. For generations, this vast segment of the workforce operated in informality, neglected by legal frameworks and burdened by costly procedures. The concerted efforts since 2024—embodied by pilot phases in three strategic zones and the development of an income-linked contribution system—signal a decisive political intent to bridge this historic gap. This methodical, gradual approach, applied both geographically and in the sequential coverage of social risks, demonstrates a pragmatic understanding of the reform's complexity. By initially focusing on the most vulnerable sectors—street vendors, artisans, farmers, and casual workers—the initiative aims to maximize its social impact while building a robust financial and institutional foundation for future growth.

The core of this new social contract lies in its operational principles, which are designed to be both inclusive and sustainable. The proposed income-based contribution model is central to this, offering a fair alternative to the fixed rates that previously discouraged enrollment by failing to account for volatile and seasonal incomes. This financial innovation is supported by a participatory framework where information campaigns, targeted training, and ongoing local consultations are decisive for adoption. Transparent communication and the adaptation of tools to regional realities facilitate a genuine co-construction of the system with the very communities it is meant to serve. This involvement not only enhances operational efficiency but also secures the social recognition and trust indispensable for the reform's legitimacy and long-term success.

Madagascar now stands at a critical crossroads, where the consolidation of pilot-phase results must inform a carefully orchestrated national expansion. The strategy's future success hinges on maintaining its core commitments: flexibility in contribution mechanisms, a steadfast prioritization of vulnerable groups, and the continuous capacity to adjust to local economic realities. The gradual extension of coverage for health, occupational accidents, and eventually retirement must remain guided by a pragmatic, solidarity-driven approach that carefully balances the imperatives of social justice with those of financial viability. By learning from regional experiences, the nation can decisively move toward establishing an inclusive and sustainable social protection system—a foundational achievement that is wholly consistent with its broader human development objectives.

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