France renews ties with Malagasy President Ravalomanana

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The April 29-30 official state visit to Paris by Madagascar's President Marc Ravalomanana has officially ended the chill in relations between France and its former colony that set in after Ravalomanana seized power with US backing in 2002.

Ravalomanana declared himself president after disputed elections, ousting the incumbent, Admiral Didier Ratsiraka, who was favored by France. Ratsiraka, a friend of both President Jacques Chirac and former Socialist President François Mitterrand, took refuge in a wealthy suburb of Paris.

Publicly, Chirac greeted Ravalomanana with unusual solicitude. He declared it a "very, very great pleasure, a great satisfaction to greet today President Ravalomanana." The French government also announced financial aid: 50 million euros in debt cancellation as well as 10 million euros for "structural adjustment" (i.e., further privatizations and cuts in public services).

Ravalomanana is working to assume a non-aligned posture. Having come to power with US backing and coming from a Protestant, anglophone background, he triggered concerns that the French business community might be cut out of deals in Madagascar. Important contracts in the tourist and airline industry have indeed gone to German firms such as Gato AG and Lufthansa, rather than the traditional French tourist industry located in Madagascar and Air France.

Ravalomanana also snubbed France by making his initial visits abroad to Switzerland and Mauritius, where he had found substantial political and financial support in Malagasy émigré communities. Traditionally, a Malagasy head of state's first foreign visit is to France.

However, France's economic weight in Madagascar has precluded a stronger effort to sideline French interests. France is Madagascar's largest international creditor and dominates both Madagascar's import and export markets: it buys 41 percent of Malagasy exports (versus 21 percent for the next largest importer from Madagascar, the US) and provides 38 percent of Malagasy imports (Hong Kong is a distant second with 10 percent).

Ravalomanana had already made gestures towards France. In October 2002, he participated in the summit of French-speaking countries held in Beirut. Moreover, an important figure in the previous Malagasy government, General Jean-Paul Bory, was recently absolved of corruption charges, easing concerns that a wave of corruption trials against former government officials undertaken by Ravalomanana might lead to a trial of Ratsiraka and the exposure of France's role in its former colony.

Businessmen and investors have pinned significant hopes on Ravalomanana—a reportedly self-made businessman who acquired his millions in the dairy industry after starting out as a herdsman on Madagascar's central plateau. Although Ravalomanana and Ratsiraka had a common economic platform of enacting austerity measures proposed by the International Monetary Fund (IMF), Ratsiraka's Arema party was historically associated with the nationalization of the Malagasy economy carried out in the 1970s. Business circles clearly hope that Ravalomanana will be able to open up significant investment opportunities by privatising nationalised firms and stabilising the political climate in Madagascar.

In addition to Chirac, Ravalomanana and his delegation of top ministers met with French Prime Minister Jean-Pierre Raffarin and a committee from the Medef (Movement of French Enterprises, the largest political action group for French businesses).

Besides a contingent of top Medef officials, the Medef committee included representatives from roughly 70 major French firms, including the banking, tourist, construction, agribusiness and telecom industries. The discussion centered on guaranteeing that international investors would have free rein within the country: protecting investments from nationalisations, speeding up privatisation in nationalised sectors of the economy, letting foreign investors acquire large landholdings, and rewriting laws to favor foreign investors. Medef negotiators explicitly raised concerns that French companies would be sidelined to give the Malagasy delegation the opportunity to assuage them.

However, there is no prospect of Ravalomanana setting up a booming market economy along the lines of international investors' dreams. Not only has he adopted a political platform promising only more of the social devastation wrought by the IMF throughout Africa, he has done so in a desperately poor society torn by the fighting and dislocation surrounding his seizure of power and beset by growing social and political tensions.

Although few economic statistics are available, the country's manufacturing sector is clearly in disarray. According to Pepe Andrianomanana, an economist in the Malagasy capital of Antananarivo, "There are currently no statistics on how people are coping, but many people are out of work... Most of the factories that closed down during the troubles still have not re-opened. Instead of waiting for these factories to open, some people have found employment in the informal market. But the meager amount of money they make doesn't compare to the salaried job."

Severe droughts have decimated crops in southern Madagascar, where the United Nations' World Food Program (WFP) estimates that roughly 600,000 are threatened with famine, with 30 percent of children in affected areas already showing signs of significant to severe malnutrition. The WFP's food stocks have largely run out, and the limited success of its fundraising efforts mean that it will concentrate on only 55,000 people most directly threatened by famine. Increased rice imports, while insufficient to feed the local population, are large enough to threaten local farmers with bankruptcy.

The Malagasy newspaper *Midi Madigasikara* reported that what food remained in drought-stricken areas was largely beyond the purchasing power of most local residents. Both the WFP and *Midi Madigasikara* have reported mass migrations towards non-drought-stricken areas.

The spread of chloroquine-resistant malaria, which affects 95 percent of Madagascar's territory, home to 90 percent of its inhabitants, poses a severe health risk. Mortality rates for malaria patients in Malagasy hospitals are now around 25 percent. Newer treatments for chloroquine-resistant malaria involving the drug artemisinine are too expensive for most Malagasy patients to afford.

Politically, there are signs that Ravalomanana's government and political coalition are beginning to fall apart. *L'Intelligent* writes, "Some who were not rewarded after the latest legislative elections are frustrated ... Others, most notably inside the government, rely entirely on the 'boss,' for fear that he could countermand their slightest decision. Thus one high official nominated by the Council of Ministers had to await Ravalomanana's return from a foreign tour in order to take charge of his position."

The KMMR (Committee to Elect Marc Ravalomanana), which, together with Ravalomanana's TIM (I love Madagascar) party, made up the bulk of the pro-Ravalomanana forces, has officially broken with Ravalomanana and likened him in its speeches to the ousted Ratsiraka.