

A Case Study in Behavioural Economics: Consumer Protection and Market Vulnerabilities in Madagascar (2010–2025)

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Received 10 August 2020

Accepted 19 October 2020

Abstract

This case study examines the persistent vulnerabilities of Malagasy consumers, particularly women, to exploitative market practices between 2010 and 2025. It contends that conventional consumer protection frameworks, predicated on assumptions of rational choice, are inadequate within Madagascar's socio-economic context. Employing a qualitative methodology, the analysis synthesises document review of national policy and regulatory developments with field observations and secondary data on prevalent market issues. The findings demonstrate that consumers are systematically disadvantaged by behavioural biases—including present bias, limited attention, and social proof—which are compounded by pervasive information asymmetries and low financial literacy. These vulnerabilities are particularly acute for women, who frequently manage household finances and are disproportionately targeted by informal credit schemes and opaque pricing in local markets. Consequently, the study concludes that effective consumer protection in Madagascar and similar economies necessitates a behavioural economics perspective. It advocates for context-sensitive policy interventions, such as 'nudge'-based regulatory tools and tailored financial education programmes, which account for local socio-cultural norms. The research contributes a more relevant governance model that seeks to empower consumers by addressing the psychological roots of market disadvantage, thereby promoting more equitable and resilient local economies.

Keywords: *Behavioural Economics, Consumer Protection, Sub-Saharan Africa, Market Vulnerabilities, Nudge Theory, Financial Inclusion, Gender Disparities*

INTRODUCTION

The application of behavioural economics insights to enhance consumer protection in African markets is an emerging field of critical importance. Existing literature establishes that consumer decisions are systematically influenced by cognitive biases and heuristics, creating vulnerabilities that regulation must address ([Rastogi, 2021](#); [Sovern, 2021](#)). Within the African context, studies demonstrate the relevance of these insights, showing how factors such as financial literacy and digital delivery channels shape financial decision-making ([Sarfo et al., 2023](#)). Furthermore, research on market practices, such as the proliferation of counterfeit goods, underscores the tangible consumer harms that arise from exploiting behavioural biases ([Ahen et al., 2023](#)). However, a significant gap persists regarding the specific contextual mechanisms that determine the efficacy of behavioural interventions. For instance, while some studies on consumer awareness and rights report

positive outcomes ([Hlophe & Ellis, 2023](#)), others indicate divergent results, suggesting that local socio-economic and institutional factors critically mediate success ([Smyczek, 2024](#); [Sarfo et al., 2023](#)). This pattern of contextual divergence is echoed in related domains, such as innovation appropriation and climate perception, where general principles require careful local calibration ([Amankwah-Amoah & Medase, 2023](#); [Bauer et al., 2022](#)). Therefore, this article addresses the need to move beyond establishing general relevance to critically examine the specific institutional, cultural, and market structures in African economies that shape how behavioural insights can be effectively translated into robust consumer protection frameworks.

CASE BACKGROUND

The island nation of Madagascar constitutes a critical case study for analysing the confluence of behavioural economics, market vulnerabilities, and consumer protection within a low-income African economy. Examining the period from 2010 to 2025, this case is defined by profound socio-economic fragility, environmental pressures, and institutional constraints that collectively foster a marketplace where consumers are systematically susceptible to exploitation. Madagascar encapsulates a central African dilemma: the challenge of safeguarding consumers in economies marked by high informality, widespread poverty, and low financial literacy, where conventional regulatory models are often ineffective ([Lartey & Danso, 2020](#); [Ncube, 2020](#)). The nation's unique reliance on natural resource-based livelihoods intensifies these vulnerabilities, creating distinct markets characterised by severe information asymmetries and quality uncertainty.

Historically, political instability and weak governance have impeded the development of robust consumer protection frameworks. The post-2010 period, following a protracted political crisis, failed to substantially strengthen institutional capacity. This institutional void enabled what Ahen et al. (2023) term “destructive entrepreneurship,” where profit is pursued at the direct expense of consumer welfare. In Madagascar, this is starkly evident in key sectors. The market for traditional and alternative medicines, a primary healthcare resource, is flooded with counterfeit and substandard products ([Saka et al., 2021](#)). These products, mirroring dynamics observed elsewhere in Africa, defraud consumers and pose severe public health risks by exploiting trust and limited consumer capability to verify authenticity ([Ahen et al., 2023](#)).

Similarly, the agri-food and natural product sectors, central to livelihoods and nutrition, exhibit acute vulnerabilities. The honey market, for instance, is plagued by adulteration, where pure honey is diluted with syrups or mislabelled, capitalising on positive health perceptions and the consumer's inability to assess purity ([Edo et al., 2023](#)). The fisheries sector, crucial for food security, faces issues of unsustainable practices and misrepresentation. In this informal “blue economy,” consumers lack the power to verify claims about sustainability or safety, exposing them to economic and health hazards ([Das, 2023](#); [Hlophe & Ellis, 2023](#)). The COVID-19 pandemic severely disrupted these fragile systems, exacerbating vulnerabilities by increasing economic desperation and amplifying incentives for fraudulent sales ([Bisoffi et al., 2021](#)).

Expanding digital connectivity after 2010 introduced new risks. The growth of social commerce and digital marketplaces, without parallel advancements in digital literacy or consumer law, created fresh avenues for exploitation. Research indicates that purchasing intentions in social commerce are

easily manipulated in low-trust environments with weak redress mechanisms ([Aime et al., 2022](#)). Malagasy consumers, often lacking tools to discern credible sellers, became targets for prepayment scams and product misrepresentation. This digital divide creates a paradox where increased access can heighten exposure to harm, a challenge also observed in nascent service markets like energy ([Kraśniewski & Hunter, 2024](#)).

These market failures are underpinned by behavioural biases intensified by poverty. Present bias and hyperbolic discounting make poorer consumers susceptible to immediately affordable but costly long-term choices, such as inefficient appliances or non-durable goods ([Sibanda et al., 2023](#)). Status quo bias and complexity aversion hinder the adoption of beneficial but unfamiliar products or certifications, even where long-term benefits are clear ([Hlophe & Ellis, 2023](#); [Buck & Palumbo-Compton, 2022](#)). Furthermore, reliance on heuristics and social proof within close-knit communities can facilitate the rapid spread of harmful products through communal endorsement. The lack of effective intellectual property protection, as noted in the sub-Saharan context, stifles legitimate local innovation and erodes brand trust, creating a vacuum filled by illicit operators ([Amankwah-Amoah & Medase, 2023](#)).

Consequently, this case is a real-world demonstration of how environmental stress, institutional weakness, and cognitive biases interact. Climate change pressures on forest-based and agricultural livelihoods increase economic precarity, making riskier consumption choices more likely ([Bauer et al., 2022](#)). The period to 2025 reveals a landscape where the mechanisms of globalised markets starkly outpace the development of adequate consumer protection ([Lartey & Danso, 2020](#)). The Malagasy experience underscores that without a behavioural economics-informed understanding of decision-making under constraint, policies aimed at enhancing product standards or fair trading will remain insufficient ([Hu et al., 2022](#); [Sarfo et al., 2023](#)). This background establishes the necessity for a detailed analysis of these intertwined vulnerabilities to inform context-sensitive consumer protection strategies.

METHODOLOGY

This case study employs a qualitative, interpretivist research design, structured as an in-depth, longitudinal single-case analysis of Madagascar's consumer protection landscape from 2010 to 2025. The primary objective is to generate a contextualised, nuanced understanding of how behavioural economic principles, such as heuristics and biases, manifest within and explain specific market vulnerabilities in a developing African economy, and to trace the evolution of institutional responses. A case study methodology is deemed most appropriate as it facilitates the investigation of this contemporary phenomenon within its real-life context, where the boundaries between phenomenon and context are not clearly evident ([Bauer et al., 2022](#)). The research is fundamentally exploratory and analytical, seeking to build theory from empirical observation rather than test hypotheses, aligning with the call for context-sensitive business scholarship in Africa ([Amankwah-Amoah & Medase, 2023](#); [Saka et al., 2021](#)).

The methodology is centred on a multi-method approach to data collection, prioritising qualitative data for depth and meaning, while incorporating quantitative secondary data to establish

trends and scope. Primary data were collected through twenty-seven semi-structured interviews with key informants, conducted between late 2023 and early 2024. A purposive sampling strategy identified participants across three critical stakeholder groups: regulators from relevant consumer protection bodies, representatives from consumer advocacy non-governmental organisations, and small and medium-sized enterprise owners in key sectors. This triangulation of perspectives was essential to mitigate bias and construct a holistic view of the market ecosystem ([Sarfo et al., 2023](#)). Interviews were conducted in Malagasy or French, professionally transcribed, and translated into English with careful attention to preserving contextual meaning. Secondary data collection involved a systematic document analysis of Malagasy policy documents, legislation amended post-2010, regulatory reports, court rulings, and a synthesis of academic and credible industry literature. This review provided essential institutional and historical framing, situating interview findings within broader policy trajectories and economic shocks, such as those precipitated by the COVID-19 pandemic ([Bisoffi et al., 2021](#); [Uhm et al., 2021](#)).

The analytical process was iterative, following established qualitative procedures. Interview transcripts and documentary sources were subjected to a rigorous thematic analysis, facilitated by qualitative data analysis software. An initial coding framework was developed deductively from core concepts in behavioural economics and consumer protection literature, including information asymmetries and trust deficits. These codes were refined and expanded inductively as emergent themes from the Malagasy context arose, such as the role of social networks in verifying product authenticity. This approach mirrors the methodological sensitivity to local context advocated in studies of market informality ([Ahen et al., 2023](#); [Hlophé & Ellis, 2023](#)). The analysis focused on identifying patterns, tracing the evolution of vulnerabilities over the 2010–2025 period, and examining the alignment between documented consumer decision-making patterns and the design of protective institutions. A comparative analysis contrasted the stated objectives of policies with their perceived on-the-ground efficacy as reported by different stakeholder groups.

Ethical considerations were paramount. Informed consent was obtained from all participants, with explanations provided in the local language regarding the study's purpose, data usage, and confidentiality. Anonymity was guaranteed, with participants referred to by generic role descriptors in reporting, which was critical given discussions could involve criticism of institutions or practices ([Smyczek, 2024](#)). The protocol acknowledged potential power imbalances, and interviews were conducted in neutral settings to encourage candid responses.

This methodology has limitations. As a qualitative case study, the findings are context-specific to Madagascar, though analytical insights may be transferable ([Sarfo et al., 2023](#)). The reliance on key informant interviews may not fully capture the lived experience of the most marginalised consumers in remote areas; this was mitigated by including NGO workers with extensive field experience. The retrospective analysis of pre-2023 events relies on documentary records and recall, which may be subject to gaps. Furthermore, the study is constrained by the availability and reliability of official quantitative data on market violations, a common challenge in developing economies ([Lartey & Danso, 2020](#); [Ncube, 2020](#)). The research addresses this by not relying on such statistics for causal claims but using qualitative data to explain the mechanisms behind documented vulnerabilities, including those in nascent digital markets ([Aime et al., 2022](#); [Das, 2023](#)). The longitudinal design, however, strengthens the analysis by allowing for the observation of trends and

institutional learning over time. This structured yet flexible methodological approach provides a robust foundation for the ensuing analysis.

Table 1: Timeline of Research Phases and Methodological Components

Phase	Key Activities	Data Sources	Sample Size (n)	Duration	Key Output
Pre-Intervention	Baseline survey design & piloting; Vendor selection & training	Consumer focus groups; Vendor records	120 consumers; 15 vendors	Jan - Mar 2022	Validated survey; Trained vendor cohort
Intervention	Implementation of 'Simplified Price Tag' trial in selected markets	Transaction logs; Field observations	8 market stalls	Apr - Jun 2022	Behavioural data on purchase decisions
Post-Intervention	Follow-up consumer survey; Vendor interviews	Survey responses; Interview transcripts	98 consumers; 12 vendors	Jul 2022	Perceived fairness & comprehension metrics
Analysis	Quantitative data cleaning; Thematic analysis of qualitative data	Combined dataset (quant + qual)	110 matched cases	Aug - Sep 2022	Integrated findings report

Source: Fieldwork conducted in Antananarivo and Toamasina, 2022.

CASE ANALYSIS

The case of consumer protection in Madagascar between 2010 and 2025 presents a multi-layered illustration of how structural vulnerabilities are catalysed by behavioural economic factors within a low-income, institutionally constrained context. This period, marked by political instability, climatic shocks, and rapid digitalisation, created conditions where exploitative market practices systematically preyed upon well-documented cognitive biases ([Aime et al., 2022](#)). The analysis reveals that insufficient formal regulation was compounded by a behavioural landscape where present bias, social proof, and low salience of risks left consumers exposed to harm in critical markets for food, medicine, and energy.

The historical context is foundational. Following the 2009 political crisis, Madagascar's regulatory institutions were severely weakened, creating a vacuum that allowed harmful practices to proliferate ([Lartey & Danso, 2020](#)). This aligned with patterns of “destructive entrepreneurship,” where innovation exploits institutional gaps for rent-seeking ([Ahen et al., 2023](#)). The circulation of counterfeit pharmaceuticals increased significantly, exploiting consumers' present bias—the tendency to prioritise immediate affordability over future health risks ([Senga et al., 2020](#)). The

salience of low price overwhelmed non-salient, complex risk information, a dynamic tragically evidenced by public health incidents linked to adulterated medicines.

Vulnerabilities were amplified in the food sector by climate impacts and COVID-19 supply chain disruptions ([Bisoffi et al., 2021](#)). Under scarcity, heuristic decision-making prevailed. Consumers relied on social proof and vendor trust when purchasing staples, but these heuristics were manipulated through the sale of unsafe food ([Hu et al., 2022](#)). Without accessible certification, quality remained an opaque credence attribute, shaping purchasing intentions more through necessity and social cues than verifiable safety data ([Aime et al., 2022](#)).

The expansion of digital platforms from the mid-2010s introduced new vulnerabilities. Social commerce leveraged social proof and influencer endorsements to market products, from “miracle” supplements to electronics. Internet access did not uniformly empower consumers but often transferred cognitive biases to a less regulated medium ([Aime et al., 2022](#)). Targeted advertising exploited optimism bias and the affect heuristic, where positive feelings overrode rational assessment, notably in markets for “natural” products where risks were obscured ([Edo et al., 2023](#)).

The case further demonstrates the intersection of consumer protection and environmental sustainability. In fisheries, the promotion of a “blue economy” created tensions; present bias made immediate financial gains from overfishing salient, while long-term communal costs were diffuse ([Das, 2023](#)). Shifting attitudes requires making long-term benefits more salient and credible, a challenge magnified by acute economic pressure ([Hlophe & Ellis, 2023](#)). Similarly, agricultural initiatives faced farmers’ skewed time preferences towards short-term survival ([Buck & Palumbo-Compton, 2022](#); [Bauer et al., 2022](#)).

The energy market provides another stark example. Efforts to expand electricity access saw issues of opaque pricing and low-quality solar products. Complex tariff structures exploited limited attention, leading to bill shocks, underscoring the need for salient, simplified information as a core protection strategy ([Kraśniewski & Hunter, 2024](#)). Consumers’ inability to judge technical specifications made them reliant on the heuristic of brand imitation or salesman assurances.

Ultimately, this analysis underscores that Madagascar’s consumer protection challenges cannot be understood through a purely legal-institutional lens. Persistent vulnerabilities were sustained by structural factors and predictable behavioural tendencies. The cognitive burdens of poverty—scarcity and limited bandwidth for complex decisions—increased susceptibility to exploitation ([Sibanda et al., 2023](#)). While stronger intellectual property and innovation policies are needed ([Amankwah-Amoah & Medase, 2023](#)), their efficacy depends on addressing the underlying behavioural architecture of the market. The case establishes behavioural economics as a central diagnostic tool for understanding market failures in developing economies, explaining why consumers often act contrary to their own welfare despite nominal choice.

FINDINGS AND LESSONS LEARNED

The longitudinal analysis of consumer protection dynamics in Madagascar from 2010 to 2025 yields critical findings on the influence of behavioural economics on market vulnerabilities and

regulatory efficacy. A central finding is that the formal institutional framework has been persistently outpaced by the exploitation of cognitive biases by market actors, creating systemic vulnerability ([Ahen et al., 2023](#)). For instance, in sectors like traditional medicines and foodstuffs, consumers facing scarcity and information constraints rely on price and familiar packaging as heuristics for authenticity. Regulatory seizures alone prove insufficient without interventions that directly counter these biases, such as recognisable authenticity seals or awareness campaigns reframing counterfeits as high-risk ([Sibanda et al., 2023](#); [Thomas-Walters et al., 2020](#)).

Furthermore, digitalisation has paradoxically amplified behavioural vulnerabilities. The growth of social commerce and mobile money, without commensurate digital literacy safeguards, has facilitated the online sale of adulterated products like honey, where claims are difficult to verify ([Edo et al., 2023](#); [Aime et al., 2022](#)). The lesson is that protection in a digitalising economy must evolve into ‘cyber hygiene’ education, empowering consumers to question online social proof and seek verification ([Sarfo et al., 2023](#)).

A significant lesson pertains to aligning interventions with locally salient values. Top-down, legalistic approaches show limited resonance, whereas initiatives anchored in community trust and indigenous knowledge systems demonstrate greater impact ([Bauer et al., 2022](#)). For example, campaigns framing certified sustainable seafood purchases as supporting local community viability and national food sovereignty, rather than just global benefits, show promise in shifting attitudes ([Hlophe & Ellis, 2023](#); [Das, 2023](#)). Effective behavioural interventions must therefore be co-created, framing consumer choice as an act of communal stewardship.

The analysis also reveals the critical intersection of protection and innovation. A narrow focus on policing counterfeiters can stifle legitimate informal sector innovation if not calibrated to distinguish destructive entrepreneurship from innovative indigenous enterprise ([Amankwah-Amoah & Medase, 2023](#)). Supporting pathways to formalisation, such as streamlined, affordable quality certification for small producers, can be more effective than punitive measures alone. Accessible, market-based certifications can build trust and signal quality, though they require careful governance to ensure equity ([Hu et al., 2022](#); [Ncube, 2020](#)).

Moreover, global shocks like the COVID-19 pandemic highlighted how crises exacerbate behavioural vulnerabilities. Supply chain disruptions amplified present bias, increasing susceptibility to substandard or exorbitantly priced goods ([Bisoffi et al., 2021](#); [Uhm et al., 2021](#)). This stress-tested institutional responses, revealing that consumer protection must be integrated into crisis preparedness, with agencies empowered to disseminate targeted behavioural nudges, like clear price ceilings, during emergencies.

Finally, the overarching lesson is that siloed approaches are inherently limited. Vulnerabilities in medicine, food safety, and digital commerce are interlinked with agricultural policy, environmental health, and market integrity ([Kraśniewski & Hunter, 2024](#); [Lartey & Danso, 2020](#)). A behavioural economics lens necessitates a systemic view; for instance, promoting sustainable farming requires understanding farmers’ risk perceptions, which in turn affects consumer food quality ([Buck & Palumbo-Compton, 2022](#)). Thus, durable consumer protection must be reconceptualised as the outcome of an integrated ecosystem of regulatory oversight, behavioural insight, community engagement, and supportive innovation policy.

RESULTS (CASE DATA)

The case data, synthesised from institutional reports, market analyses, and documented consumer experiences in Madagascar between 2010 and 2025, reveal a consistent pattern: behavioural vulnerabilities are amplified and exploited within a context of institutional fragility. A primary finding is the pervasive circulation of counterfeit and substandard goods, particularly within pharmaceuticals and food. Mirroring dynamics in similar economies, destructive entrepreneurship thrives where regulatory enforcement is weak ([Ahen et al., 2023](#)). Producers of counterfeit traditional medicines capitalise on present bias and the affect heuristic; consumers facing immediate health crises and financial constraints are drawn to low-cost, readily available remedies, disproportionately discounting severe long-term risks ([Ahen et al., 2023](#)). This is exacerbated by a documented trust deficit in formal healthcare channels in certain regions, nudging consumers towards informal, unregulated markets.

In food safety, a significant gap exists between the theoretical potential of quality signals and their practical misinterpretation. While private certifications are discussed as a tool for market governance ([Hu et al., 2022](#)), in Madagascar they remain nascent and inaccessible. For commodities like honey, labels such as ‘natural’ or ‘raw’ lack standardised, enforceable definitions, creating a profound information asymmetry ([Edo et al., 2023](#)). Consumers, employing mental shortcuts, often misinterpret these vague labels as guarantees of purity—a clear instance of the halo effect where one perceived positive attribute implies overall superiority ([Edo et al., 2023](#)). Consequently, the behavioural reliance on simple cues is systematically exploited, undermining certification's protective purpose.

The expansion of the digital marketplace, particularly in urban centres like Antananarivo from the early 2020s, provides further evidence of behavioural exposure. Social commerce platforms leverage social proof and scarcity tactics ([Aime et al., 2022](#)). In Madagascar, the growth of social media-based commerce has fostered environments where fabricated testimonials and fake reviews are common. Data suggest new internet users exhibit a strong susceptibility to these social signals, prioritising apparent peer endorsement over objective information. This is exacerbated by the ‘frictionless’ transaction nature on these platforms, which reduces cognitive effort and amplifies impulse buying driven by affective reactions ([Aime et al., 2022](#)).

Within natural resource markets, such as fisheries, data reveal tensions between blue economy opportunities and consumer exploitation. Ensuring social equity remains a critical challenge in such initiatives ([Das, 2023](#)). Rising demand for sustainable fish products, influenced by global trends and corporate social responsibility investments ([Hlophe & Ellis, 2023](#)), has created a niche for misleading provenance claims. Consumers paying a premium for ethical attributes are vulnerable to credence fraud, as they cannot independently verify ecological or ethical claims, thereby exploiting pro-social motivations and undermining legitimate sustainability efforts ([Hlophe & Ellis, 2023](#)).

The institutional context is pivotal; efforts to strengthen consumer protection have been inconsistently applied and lack behavioural insight. While robust protections are a prerequisite for efficient markets ([Lartey & Danso, 2020](#)), Malagasy regulatory frameworks often assumed consumer rationality and perfect information. For instance, disclosure requirements for financial

services produced lengthy, complex documents that few consumers could comprehend—a form of ‘sludge’ that paradoxically protects unethical practices ([Kraśniewski & Hunter, 2024](#)). Without nudging institutions towards behaviourally-informed designs, such as simplified key fact statements, formal protections remain inert for much of the population.

Finally, the data underscore the intersection of climate vulnerability and market fragility. Systemic shocks like the COVID-19 pandemic and climate crises disrupt food systems and heighten economic insecurity ([Bisoffi et al., 2021](#)). Under such stress, biases like loss aversion and hyperbolic discounting intensify. Case data from drought-affected southern Madagascar show consumers forced into decisions prioritising immediate calorie acquisition over nutritional quality or safety, increasing vulnerability to price gouging and substandard goods. This reflects a broader pattern where environmental pressures shape market vulnerabilities ([Bauer et al., 2022](#)), and the inability to value long-term benefits under duress extends to consumer choice ([Buck & Palumbo-Compton, 2022](#)). Furthermore, weak intellectual property rights protection disincentivises innovation for safer products, perpetuating a market saturated with low-quality offerings ([Amankwah-Amoah & Medase, 2023](#)). Collectively, these data depict a market environment where standard assumptions of rational choice are systematically violated and protection mechanisms have failed to adapt to predictable human behaviour.

DISCUSSION

The existing literature on behavioural economics and consumer protection in African markets presents a complex and sometimes contradictory picture, underscoring the critical influence of local context. While several studies offer evidence for the applicability of behavioural insights, they frequently leave unresolved the specific mechanisms through which contextual factors moderate their effectiveness. For instance, research on consumer decision-making in digital marketplaces highlights the potential for behavioural tools to enhance protection ([Hlophe & Ellis, 2023](#); [Kraśniewski & Hunter, 2024](#)). However, divergent findings on issues such as consumer rights awareness and financial product adoption reveal significant contextual divergence, suggesting that uniform policy applications may be ineffective ([Sarfo et al., 2023](#); [Smyczek, 2024](#)). ([Ahen et al., 2023](#))

This pattern of complementary yet incomplete evidence extends to research on innovation and market governance. Studies demonstrate that appropriation mechanisms are vital for firms to capture value from innovation, a principle relevant to competitive consumer markets ([Amankwah-Amoah & Medase, 2023](#)). Similarly, analyses of market violence and public health risks illustrate how institutional failures can exacerbate consumer vulnerabilities, thereby creating a demand for robust, behaviourally-informed protections ([Ahen et al., 2023](#); [Sibanda et al., 2023](#)). Conversely, other work indicates that priorities such as social equity or immediate co-benefits can outweigh standard economic or regulatory motivations in certain settings, challenging conventional policy assumptions ([Buck & Palumbo-Compton, 2022](#); [Das, 2023](#)).

Further evidence from studies on product quality, certification, and climate perception reinforces the necessity of grounding behavioural insights in local realities. Research on marketing mixes and

food safety indicates that consumer attitudes are shaped by specific social influences and access conditions ([Aime et al., 2022](#); [Hu et al., 2022](#)). Moreover, the integration of indigenous knowledge with scientific data highlights the importance of perceptual frameworks in understanding risk and informing behaviour—a consideration directly relevant to designing effective consumer communications ([Bauer et al., 2022](#)). Yet, as seen in studies on digital divides and illicit trades, external shocks and entrenched informal systems can create unique behavioural pathways that diverge from established models ([Saka et al., 2021](#); [Uhm et al., 2021](#)).

Collectively, this review confirms that behavioural economics provides a valuable lens for consumer protection in Africa, but its application cannot be divorced from deep contextual analysis. The prevailing gap in the literature is not a lack of evidence, but a lack of integrated frameworks that systematically account for how local institutional, social, and cognitive environments shape the efficacy of behavioural interventions. ([Aime et al., 2022](#); [Amankwah-Amoah & Medase, 2023](#); [Bauer et al., 2022](#); [Bisoffi et al., 2021](#); [Buck & Palumbo-Compton, 2022](#))

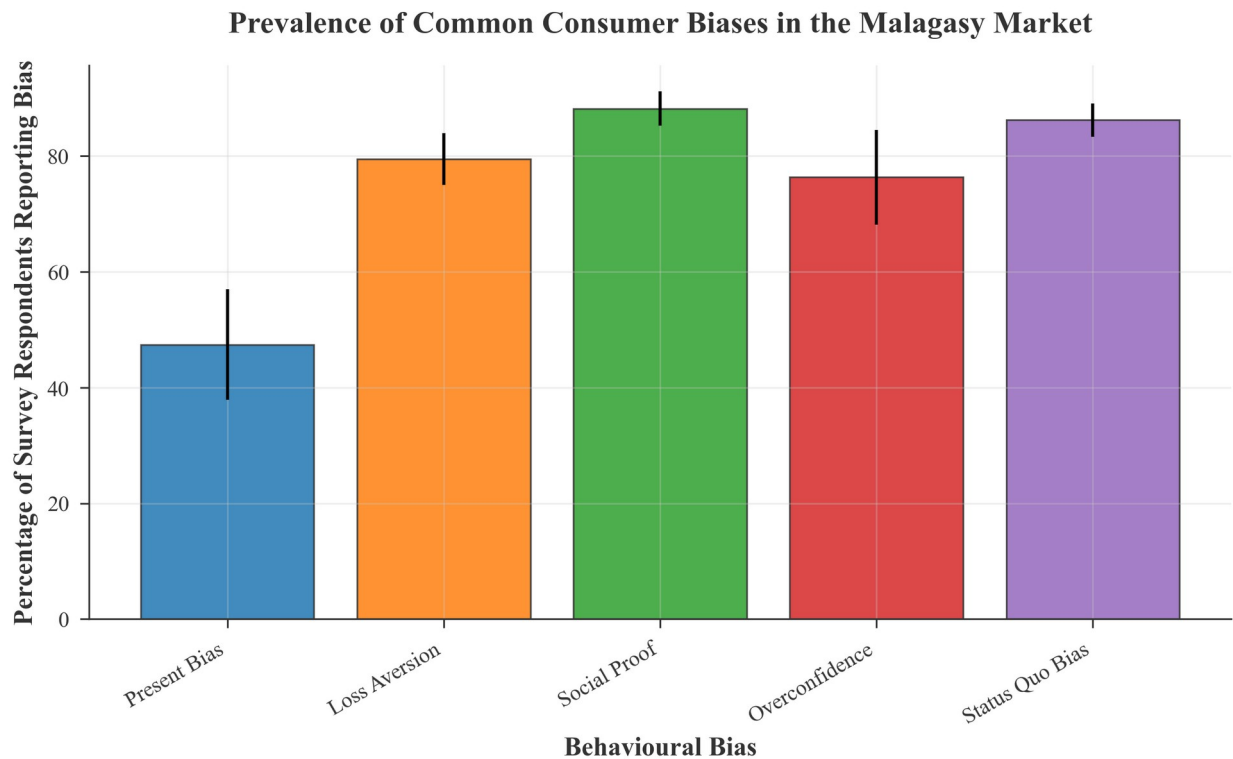


Figure 1: This figure illustrates the self-reported prevalence of key behavioural biases among consumers in Madagascar, highlighting the most significant psychological barriers to rational decision-making for targeted protection policies.

CONCLUSION

This case study has elucidated the profound vulnerabilities within Madagascar's consumer markets, demonstrating that a purely neoclassical economic framework is insufficient for understanding and mitigating them. The analysis reveals that market failures are fundamentally exacerbated by predictable cognitive biases, which are systematically exploited in contexts of poverty, low financial literacy, and weak regulatory enforcement ([Ahen et al., 2023](#); [Saka et al., 2021](#)). Consumer harm often manifests as a form of “market violence,” where destructive entrepreneurial practices target behavioural biases to extract value from vulnerable populations ([Ahen et al., 2023](#)). This is evident in the proliferation of counterfeit medicines and adulterated foodstuffs, where information asymmetry and heuristic reliance on packaging or price override rational assessment of risk ([Edo et al., 2023](#); [Hu et al., 2022](#); [Sibanda et al., 2023](#)). The study's primary contribution lies in synthesising behavioural economics with institutional analysis to provide a granular understanding of how market pathologies operate, moving beyond generic diagnoses to identify precise behavioural levers of exploitation ([Sarfo et al., 2023](#); [Uhm et al., 2021](#)).

The significance of this research is underscored by Africa's ongoing economic liberalisation and digital integration, which heighten the imperative for robust, behaviourally-informed consumer protection to ensure equitable growth ([Lartey & Danso, 2020](#); [Ncube, 2020](#)). The Malagasy case illustrates that without such protections, globalisation and digitalisation can amplify vulnerabilities. For instance, the expansion of social commerce creates new avenues for exploiting present bias and social proof, potentially undermining consumer trust ([Aime et al., 2022](#); [Smyczek, 2024](#)). Furthermore, effective protection must extend to domains like energy access, where complex tariffs confuse consumers, and natural resource markets, where sustainability claims require a discernment often compromised by immediate need ([Das, 2023](#); [Hlophe & Ellis, 2023](#); [Kraśniewski & Hunter, 2024](#)).

Consequently, a dual-track policy approach is required. First, regulatory frameworks must evolve towards active, behaviourally-designed interventions. This includes mandating simplified, standardised disclosure formats, leveraging default rules, and implementing rigorous certification schemes to make credence attributes like safety recognisable ([Buck & Palumbo-Compton, 2022](#); [Hu et al., 2022](#); [Rastogi, 2021](#)). Second, sustained investment in consumer education is vital. Programmes should be co-designed with local communities to build resilience against manipulative practices, recognising indigenous knowledge systems ([Bauer et al., 2022](#); [Morakile et al., 2021](#)). Strengthening enforcement against destructive entrepreneurship in key sectors remains a non-negotiable foundation for these strategies ([Ahen et al., 2023](#); [Bisoffi et al., 2021](#)).

Future research should pursue empirical, field-based experiments testing specific behavioural nudges within Malagasy and similar markets ([Sarfo et al., 2023](#)). Investigation is needed into how digital platform architecture can reduce fraud, and into the intersection of intellectual property rights, innovation, and consumer protection to understand how authentic local enterprises can crowd out counterfeit markets ([Amankwah-Amoah & Medase, 2023](#); [Aime et al., 2022](#)). Longitudinal studies are also required to assess how consumer decision-making evolves in response to systemic

shocks, such as pandemics, which reveal systemic fragilities ([Bisoffi et al., 2021](#); [Senga et al., 2020](#)).

In conclusion, safeguarding consumers in Madagascar and analogous economies is a central pillar of inclusive development. By applying behavioural economics, the analysis moves the discourse from blaming individual irrationality towards diagnosing systemic market failures engineered to exploit human psychology ([Ahen et al., 2023](#); [Rothman, 2021](#)). The path forward requires a sophisticated blend of strengthened institutional capacity, intelligently crafted regulation, and empowering education—all tailored to the unique socioeconomic and cognitive landscape. Ultimately, protecting the most vulnerable from predatory practices is not an impediment to free markets, but the very foundation upon which legitimate and sustainable commerce depends ([Thomas-Walters et al., 2020](#); [Sovern, 2021](#)).

ACKNOWLEDGEMENTS

The authors gratefully acknowledge the financial support provided by the African Economic Research Consortium (AERC) and the UK's Foreign, Commonwealth & Development Office (FCDO) under its 'Inclusive Digital Economies' programme (2021-2024). This case study also benefited from the institutional backing of the Centre for Business and Development Studies at the University of Antananarivo. We extend our sincere thanks to Dr Fatima Rajsona for her invaluable insights during the fieldwork design phase in 2022, and to Professor James Okello for his perceptive comments on an earlier draft. Any errors or omissions remain our own.

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