

# Poverty & Equity Brief

Africa Eastern & Southern

## Malawi

April 2023

Malawi is the fourth poorest country in the world, with 70 percent of its population living on less than \$2.15 a day, as estimated using data for 2019. Even though this percentage has been almost unchanged since 2010 (68 percent), with the population growth, the number of poor people has increased by 3 million, reaching 13 million in 10 years. The share of people failing to consume a minimum caloric intake of 2215 calories a day (or national poverty rate) is 51 percent, the same as in 2010. Inequality has decreased over the last decade (the Gini index changed from 45 percent in 2010 to 39 percent in 2019), mainly due to better-off households worsening their economic situation.

The slow poverty reduction has been mainly due to the low GDP growth per capita, the lower and stalled productivity of the agricultural sector over the years, the lack of structural transformation, and the recurrent climate shocks affecting the agricultural sector (i.e., the flood of 2015; the historic drought of 2016; the cyclone Idai in 2019; the cyclone Ana and the tropical storm Gombe in 2022).

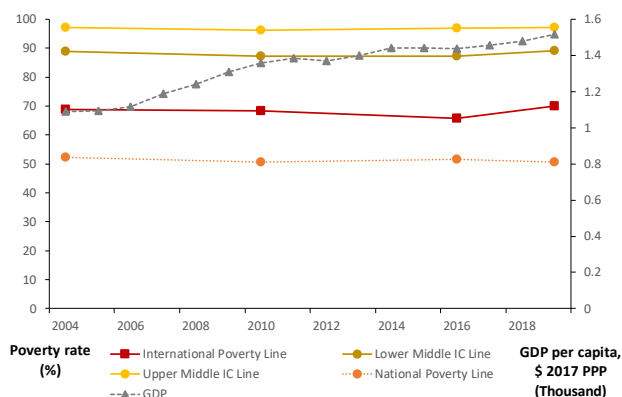
Following the Russia-Ukraine war, 80 percent of households reported significant increases in the price of basic items such as maize, cassava, sweet potato, maize flour, rice, and fuel, contributing to the food insecurity emergency in the last months. In terms of employment, even though 80 percent of household heads were working during the first months of 2022, more than half of households experienced reductions in income, and by September of 2022, 70 percent of households felt their financial situation was worse than one year earlier. Indeed, in 2022, half of the households applied for loans to cover mainly purchases of food and/or inputs for their non-farm businesses.

According to the poverty projection based on GDP per capita growth, the share of people living with less than \$2.15/day increased slightly from 70.1 percent to 72 percent between 2019 and 2023. The projection might increase if climate or external shocks continue.

POVERTY	Number of Poor (million)	Rate (%)	Period
National Poverty Line	9.6	50.7	2019
International Poverty Line 656.7 in Malawi kwacha (2019) or US\$2.15 (2017 PPP) per day per capita	13.2	70.1	2019
Lower Middle Income Class Poverty Line 1114.8 in Malawi kwacha (2019) or US\$3.65 (2017 PPP) per day per capita	16.8	89.1	2019
Upper Middle Income Class Poverty Line 2092.1 in Malawi kwacha (2019) or US\$6.85 (2017 PPP) per day per capita	18.4	97.3	2019
Multidimensional Poverty Measure		78.3	2019
SHARED PROSPERITY			
Annualized Consumption Growth per capita of the bottom 40 percent		-2.96	2016-2019
INEQUALITY			
Gini Index		38.5	2019
Shared Prosperity Premium = Growth of the bottom 40 - Average Growth		3.15	2016-2019
GROWTH			
Annualized GDP per capita growth		1.84	2016-2019
Annualized Consumption Growth per capita from Household Survey		-6.11	2016-2019
MEDIAN INCOME			
Growth of the annual median income/consumption per capita		-2.40	2016-2019

Sources: WDI for GDP, National Statistical Offices for national poverty rates, PIP as of April 2023, and Global Monitoring Database for the rest.

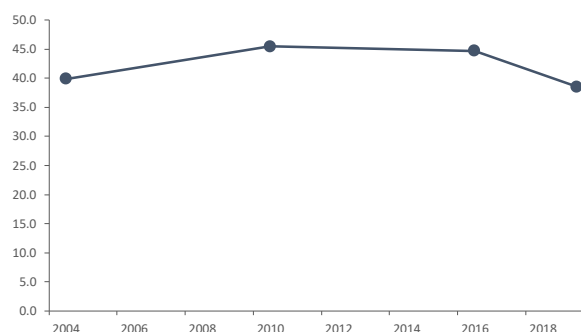
## POVERTY HEADCOUNT RATE, 2004-2019



Source: World Bank using IHS-V/SSAPOV/GMD

## INEQUALITY TRENDS, 2004-2019

### Gini Index



Source: World Bank using IHS-V/SSAPOV/GMD

## KEY INDICATORS

Distribution among groups: 2019	International Poverty Line (%)		Relative group (%)	
	Non-Poor	Poor	Bottom 40	Top 60
Urban population	70	30	10	90
Rural population	23	77	46	54
Males	31	69	39	61
Females	29	71	41	59
0 to 14 years old	24	76	46	54
15 to 64 years old	35	65	36	64
65 and older	36	64	33	67
Without education (16+)	N/A*	0	0	N/A*
Primary education (16+)	28	72	40	60
Secondary education (16+)	54	46	18	82
Tertiary/post-secondary education (16+)	94	6	N/A*	98

Source: World Bank using IHS-V/SSAPOV/GMD

Notes: N/A missing value, N/A\* value removed due to less than 30 observations

Multidimensional Poverty Measures: 2019	(% of population)
<b>Monetary poverty (Consumption)</b>	
Daily consumption less than US\$2.15 per person	70.1
<b>Education</b>	
At least one school-aged child is not enrolled in school	3.7
No adult has completed primary education	54.3
<b>Access to basic infrastructure</b>	
No access to limited-standard drinking water	11.4
No access to limited-standard sanitation	75.1
No access to electricity	88.8

Source: World Bank using IHS-V/SSAPOV/GMD

## POVERTY DATA AND METHODOLOGY

The Integrated Household Survey (IHS) has been conducted since 2004 at six years intervals (2004, 2010, and 2016). The three waves of IHS are comparable. In the past, the six-year interval between these surveys prevented poverty from being tracked frequently. However, with technical and financial support from the World Bank, the Government of Malawi is now conducting the IHS in a three-year cycle. Accordingly, the latest IHS (2019/20) took place between April 2019 and April 2020. In addition to the IHS series, the Integrated Household Panel Survey (IHPS), which tracks a sub-sample of the third IHS in 2010, was conducted from March to November 2019. The shorter collection cycle makes the IHPS incomparable with the IHS, which captures conditions experienced throughout the year. Data during the COVID-19 pandemic are taken from High Frequency Phone Surveys conducted between June 2020 and September 2022 in Malawi. For more information, see <https://www.worldbank.org/en/topic/poverty/brief/high-frequency-monitoring-surveys>.

**Note on new global poverty lines:** Poverty data are now expressed in 2017 Purchasing Power Parity (PPP) prices, versus 2011 PPP in previous editions. As price levels across the world evolve, global poverty lines have to be periodically updated to reflect the increase of the value of the lines in nominal terms. The new global poverty lines of \$2.15, \$3.65, and \$6.85 reflect the typical national poverty lines of low-income, lower-middle-income, and upper-middle-income countries in 2017 prices. In addition to reflecting updates in nominal terms, upper-middle-income countries raised the standards by which they determine people to be poor from 2011 to 2017. Hence, the increase in the upper line is larger, and the population that does not meet the new standard is higher in most countries than it was with 2011 PPPs. See [pip.worldbank.org](http://pip.worldbank.org).

## HARMONIZATION

The numbers presented in this brief are based on the SSAPOV database. SSAPOV is a database of harmonized nationally representative household surveys managed by Sub-Saharan Team for Statistical Development. It contains more than 100 surveys covering 45 out of the 48 countries in the SSA region. The three countries not covered in the database are Eritrea, Equatorial Guinea, and Somalia. Terms of use of the data adhere to agreements with the original data producers.