



**Government of Malawi**

# **Malawi Poverty Report 2020**

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**NATIONAL STATISTICAL OFFICE**

**P.O. BOX 333**

**ZOMBA**

**For More Information, please contact:**

**The Commissioner of Statistics**

**National Statistical Office**

**Chimbiya Road,**

**P.O. Box 333,**

**Zomba. Malawi**

**Tel: +265 (0) 1 524 377/111**

**Fax: +265 (0) 1 525 130**

**E-mail: [enquiries@nso.gov.mw](mailto:enquiries@nso.gov.mw)**

**website: [www.nsomalawi.mw](http://www.nsomalawi.mw)**

## Preface



I am pleased to release the findings of the Malawi Poverty Estimates 2020. The estimates have been generated from the results of the Fifth Integrated Household Survey (IHS5) conducted by the National Statistical Office (NSO) over a period of one year, from April 2019 to April 2020. The survey is a multi-topic data collection instrument that is conducted once in every three years and the main objective is to provide timely and reliable information on welfare and socio-economic indicators. The indicators produced from the survey are key to monitoring and evaluation of national and international development frameworks such as Malawi 2063 and Sustainable Development Goals (SDGs).

The survey also collects comprehensive data on consumption patterns of households both in terms of food and non-food items over a period of one year. This facilitates further analysis of the survey data to produce poverty profile of the country. The poverty estimates generated from the profile will enable the government and other stakeholders to formulate and implement appropriate micro and macro-economic policies for the country's development.

I would like to thank the Malawi Government and the World Bank for the financial and technical support on the production of this report.

**Mercy Kanyuka (Mrs.)**

**COMMISSIONER OF STATISTICS**

## Executive Summary

Poverty figures were computed using food, non-food and national poverty lines. The data used came from Fifth Integrated Household Survey (IHS5-2019/2020).

- The proportion of population that was poor was 50.8 percent in 2019/2020 (IHS5). This was slightly lower than 51.5 percent which was reported during 2016/2017 (IHS4).
- Analysis by place of residence shows that 56.6 percent of people from rural areas were poor compared to 19.2 percent in urban areas in 2019/2020.
- At regional level, Central region had the highest proportion of population that was poor (55.8 percent) followed by Southern region (51.0 percent) and Northern region (32.9 percent) in 2019/2020.
- Overall, 20.5 percent proportion of the population lived in extreme poverty in 2019/2020 compared to 20.1 percent recorded in 2016/2017.
- The level of ultra-poverty in rural areas was 23.6 percent compared to 3.3 percent in urban areas in 2019/2020.
- At regional level, Central region had the highest ultra-poverty rate (25.4 percent) followed by Southern region (19.1 percent) and Northern region (8.6 percent).
- At national level, poor population had a consumption of 17.0 percent below the poverty line. Poverty was deeper in rural areas at 19.3 percent compared to 4.4 percent in urban areas.
- Analysis by region shows that poverty was deeper in the Central region at 20.1 percent compared to the Southern and Northern regions at 16.3 percent and 8.8 percent, respectively.
- At national level, the degree of inequality declined to 0.379 in 2019/2020 from 0.423 in 2016/2017.
- Analysis by place of residence indicates that inequality was higher in urban areas at 0.390 compared to 0.332 in rural areas in 2019/2020.
- Across regions, results indicate that inequality was higher in the Central region (0.384) compared to followed by the Southern region (0.374) and Northern region (0.352).

## **Abbreviations**

CAPI	Computer Assisted Personal Interviews
COICOP	Classification of Individual Consumption by Purpose
CPI	Consumer Price Index
IHS4	Fourth Integrated Household Survey
IHS5	Fifth Integrated Household Survey
LSMS	Living Standards Measurement Surveys
MFEPD	Ministry of Finance, Economic Planning and Development
MGDS	Malawi Growth and Development Strategy
MWK	Malawi Kwacha
NSO	National Statistical Office
SDGs	Sustainable Development Goals
WB	World Bank

## Table of Contents

Preface.....	i
Executive Summary .....	ii
Abbreviations .....	iii
Table of Contents .....	iv
List of Tables .....	v
List of Figures .....	vi
1. Introduction .....	1
2. Methodology.....	2
2.1. Welfare Indicator .....	2
2.2. Consumption Aggregates.....	2
2.2.1. Food Component.....	2
2.2.2. Nonfood Component.....	3
2.2.3. Durable Goods .....	4
2.2.4. Rent for Housing.....	5
2.3. Adjustment for Household Size and Composition.....	5
2.4. Adjustment for Cost of Living Differences .....	6
2.5. The Poverty Line.....	7
2.6. Poverty Measurements.....	8
3. Results of the Poverty Analysis for Malawi derived from the IHS5 .....	9
3.1. Poverty lines.....	9
3.2. Poverty Measurement (Poverty Head Count Ratios).....	9
3.2.1. Poverty Incidence (Poverty Head Count Ratio).....	9
3.2.2. Ultra-Poverty Incidence (Ultra-Poverty Head Count Ratio) .....	14
3.3. Income inequality in Malawi .....	17
3.3.1. Poverty Gap and Squared Poverty Gap Indices .....	17
3.3.2. Ultra-Poverty Gap and Squared Ultra-Poverty Gap Indices.....	19
3.3.3. Lorenz Curve .....	20
3.3.4. Gini Coefficient .....	21
3.4. Per Capita Consumption .....	23
Appendix A.....	25
Appendix B .....	36
Authors.....	36
Reviewers.....	36
References/Bibliography.....	37

## List of Tables

Table 3-1: Poverty Line in Malawi Kwacha per Person per Year, Malawi 2020.....	9
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## Appendix Tables

Table-A 1: Poverty Incidence by Place of Residence, Region and District, Malawi 2020 .....	25
Table-A 2: Ultra-Poverty Incidence by Place of Residence, Region and District, Malawi 2020...	26
Table-A 3: Poverty Incidence and Share of Population Distribution by Place of Residence, Region and District, Malawi 2020.....	27
Table-A 4: Gini Coefficient by Place of Residence, Region and District, Malawi 2020 .....	28
Table-A 5: Mean and Median Consumption per Person by Place of Residence, Region and District, Malawi 2020 .....	29
Table-A 6: Mean and Median Consumption per Person by Rural Regions and Consumption Quintiles, Malawi 2020.....	30
Table-A 7: Classification of Items by COICOP and the Repetitive Modules in IHS5 Questionnaire, Malawi 2020.....	31

## List of Figures

Figure 3-1: Proportion of Poor Population (Poverty Head Count Ratio), Malawi 2020 .....	10
Figure 3-2: Proportion of Poor Population (Poverty Head Count Ratio) by Place of Residence, Malawi 2020 .....	10
Figure 3-3: Proportion of Poor Population (Poverty Head Count Ratio) by Region, Malawi 2020 .....	11
Figure 3-4: Proportion of Poor Population (Poverty Head Count Ratio) by Rural Areas in the Regions, Malawi 2020 .....	11
Figure 3-5: Proportion of Poor Population (Poverty Head Count Ratio) by Districts, Malawi 2020 .....	12
Figure 3-6: Proportion of Poor Population (Poverty Head Count Ratio) by Sex of Household Head, Malawi 2020 .....	13
Figure 3-7: Proportion of Poor Population (Poverty Head Count Ratio) by Household Size, Malawi 2020 .....	13
Figure 3-8: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio), Malawi 2020 .....	14
Figure 3-9: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by Place of Residence, Malawi 2020 .....	14
Figure 3-10: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by Region, Malawi 2020 .....	15
Figure 3-11: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by District, Malawi 2020 .....	16
Figure 3-12: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by Sex of Household Head, Malawi 2020 .....	16
Figure 3-13: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by Household Size, Malawi 2020 .....	17
Figure 3-14: Poverty Gap Indices by Place of Residence and Region, Malawi 2020 .....	18
Figure 3-15: Squared Poverty Gap by Place of Residence and Region, Malawi 2020 .....	18
Figure 3-16: Ultra-Poverty Gap by Place of Residence and Region, Malawi 2020 .....	19
Figure 3-17: Squared Ultra Poverty Gap by Place of Residence and Region, Malawi 2020 .....	20
Figure 3-18: Lorenz Curve: Rural and Urban Consumption by Population, Malawi 2020 .....	21
Figure 3-19: Gini Coefficient at National Level, Malawi 2020 .....	22
Figure 3-20: Gini Coefficient by Place of Residence, Malawi 2020 .....	22
Figure 3-21: Gini Coefficient by Region, Malawi 2020 .....	23
Figure 3-22: Mean Per Capita Consumption in Malawi Kwacha by Place of Residence and Region, Malawi 2020 .....	24

## **1. Introduction**

The 2020 Malawi Poverty Estimates have been generated using socioeconomic data from the Fifth Integrated Household Survey (IHS5) conducted by the National Statistical Office (NSO) from April 2019 to April 2020. The survey is a multi-topic data collection instrument that is conducted once in every three years.

The main objective of the survey is to provide timely and reliable information for generating the country's welfare and socio-economic indicators, which are key to monitoring and evaluation of national and international development frameworks such as the Malawi Growth and Development Strategy, Malawi 2063 and Sustainable Development Goals (SDG).

The survey collected comprehensive data on households' consumption patterns of food and non-food items over a period of one year. This has facilitated further analysis of the survey data to produce poverty profile of the country.

There are two stages which are used in estimating poverty numbers in Malawi, the first stage involves generating the per capita consumption that ranks all population accordingly, that is, from the person with the lowest level of consumption to the person with the highest level of consumption. The second stage involves generating an appropriate poverty threshold (poverty line) to be compared against the per capita consumption in order to classify individuals as being poor or non-poor.

The poverty line is defined as the monetary cost to a given person, of a reference level of welfare, at a given place and time Ravallion (1998). For Malawi, the total poverty line comprises two components: food and non-food. The food poverty line represents the cost of a food bundle that provides the necessary energy requirements per person per day while the non-food poverty line represents the cost of basic non-food needs.

The total poverty line is simply the sum of the food and non-food poverty lines. Individuals who reside in households with consumption lower than the poverty line are then labelled "poor". Using the minimum food consumption as an additional measure, the "ultra-poor" can be identified as households whose consumption per capita on food and non- food items is lower than the minimum food consumption.

## **2. Methodology**

### **2.1. Welfare Indicator**

Previous poverty measurement studies have reached some consensus on the use of monetary values as an indicator of welfare/living standard, and this approach is regularly employed for poverty monitoring and analysis. Although the monetary indicator of welfare does not cover all aspects of human well-being, it captures a central component of any assessment of living standards. In developing countries such as Malawi, it is also a common practice to use consumption expenditure as the preferred welfare indicator because it is likely to be a more accurate measure of living standards than income. The following subsections describe the construction of aggregate consumption expenditure by component: food, nonfood, durables, and rent expenditures.

### **2.2. Consumption Aggregates**

#### **2.2.1. Food Component**

Measurement of food consumption is critical for poverty analysis as food is basic for human survival and standard of living. The food module of IHS5 collects data on the food consumed in the household over the past one-week recall period. More specifically, consumption information was collected on 142 food items from the most knowledgeable member of the sampled household. To make the data collection and analysis easier, these food items were organized into 11 categories: cereals, grains, and cereals products; roots, tubers, and plantains; nuts and pulses; vegetables; meat, fish, and animal products; fruits; cooked food from vendors; milk and milk products; sugar, fats, and oil; beverages; and spices and miscellaneous.

During the construction of the food component of total consumption, several considerations and adjustments were made. First, all major sources of food consumption were accounted for. These included purchases, own-production, gifts, and other sources.

Second, the survey has focused on actual consumption of food items as opposed to total purchases or total own-production. This distinction is important as not all purchased and/or own-produced items get consumed over the same period by all households. Indeed, many farm households cultivate crops not just for own consumption but for the market as well.

Third, to get aggregate food consumption, monetary values of both purchased and non-purchased items were calculated. Because the survey collected information on both quantity and expenditure on purchased food items, unit values were constructed by dividing expenditure with quantity consumed. Consumed values, prices and quantities were winsorized at 5<sup>th</sup> and 95<sup>th</sup>

percentile to deal with exceptionally low or high levels. These unit values were then used to calculate monetary values of non-purchased food items. However, adjustments must be made on unit values as they reflect not only price differences between different items but could also capture quality differences for the same item. This is particularly relevant if the item has many varieties and the IHS survey instrument did not capture these varieties separately. To deal with quality differences in unit values in IHS5, median unit values were calculated for each item at several levels with both geographical and time dimensions. Geographical disaggregation includes district, urban and rural areas, and national. In these disaggregations, the survey month and year were taken into consideration. Thus, if a sampled household consumed a food item that was not purchased, the median unit value from its district and matching survey time would be used to value that consumption. If no other household consumed the same item in that district during the same survey month, or if there were not enough observations to obtain a reliable unit value, the median unit value from the immediate upper level (in this case urban or rural areas) during the same survey month and year would be used to estimate the value of that consumption.

Finally, to reduce cognitive and informational burdens on surveyed households, respondents were allowed to report their quantity consumption in nonstandard and local units such as heaps and pails. These units were transformed into kilograms using new NSO conversion factors that were collected from a supplementary survey. This standardization of consumption information was necessary before unit values were calculated and expenditure on food was aggregated.

### **2.2.2. Nonfood Component**

The nonfood consumption modules (Modules I–K) of IHS5 have detailed information on household expenditure on various nondurable nonfood goods and services. We include household expenditure on all nonfood items as described in the international standard for Classification of Individual Consumption by Purpose (COICOP). Appendix A shows the COICOP classification of items and the respective questions in the IHS5 questionnaire. Therefore, parts of the total nonfood expenditure is made up of the value of expenditure on nonfood nondurable item groups such as education; health services, including prescription and nonprescription drugs; housing utilities such as water, electricity, gas, firewood, charcoal, and others; clothing and footwear; transport services including operation cost of private vehicle/bicycle/motorbike, but not the actual purchase of these durable items, and public transportation; communication services such as mobile phone services; recreation and cultural services, except the purchase of durables such as televisions; hotel and lodging; and miscellaneous goods and services such as personal care like soap and personal effects such as umbrella. Expenditures on these goods and services were reported/collected in different

reference periods (past 7 days, 1 month, 3 months, and 12 months). For those items with a reference period shorter than 12 months, the corresponding expenditure is annualized. The total annual household expenditure on these goods and services is compiled to calculate the total expense on nondurable nonfood items and matched with durable goods and rental/housing expense in the corresponding COICOP code.

Some expenditures that are sporadic in nature such as wedding, funerals, and births are excluded from consumption aggregate, which is intended to capture households' regular expenditure, to avoid overestimation of well-being. Remittance to others is excluded from consumption aggregate as it does not imply welfare improving consumption. Expenditure to repair or upgrade dwelling such as purchase materials and labor cost is also excluded from consumption as the housing/rental expenditure, discussed below, captures the value gains from this repair/upgrade.

Finally, it is important to note that we rely on total expenditure values and that there is no unit value data for nonfood goods and services. The diversity of nonfood items, both in quality and unit price, makes it difficult to compute a standard price for these nonfood items. For instance, the type, quality, and unit of measurement of prescription medicines are so diverse that it is not possible to calculate their unit values.

### **2.2.3. Durable Goods**

The ownership and utilization of durable goods is a crucial component of consumption aggregate as these goods improve the well-being of households. However, these goods are often purchased occasionally and used over extended periods. To properly account for the welfare of households, it is important to impute the use value of (or utility derived from) these goods in each year of service—not at the time of purchase. The utility derived from the use of these goods could be imputed using the purchase value and the expected lifetime of the goods.

Estimation of the use value derived from these durable goods is based on the information collected in the data and certain assumptions outlined below. The durable goods module (Module L) of IHS5 collects information on home appliances and other durables used by households to improve their daily lives.<sup>2</sup> The information collected about these items include their age, estimated current value, and number of each item owned by the household. Using the information on current value, age, and number of goods and the following three important assumptions, we estimate the use value.<sup>3</sup>

First, the purchase of these durables is assumed to be uniformly distributed over time. This assumption allows us to estimate the lifetime of each durable good, except car and motorcycle,

as twice the current age of the item. For car and motorcycle, ownership of which are recent phenomenon in rural Malawi, the distribution is likely skewed and hence we calculate lifetime of these two durables as three time their current age.<sup>4</sup>

Second, the remaining service years left for each durable good is calculated as its current age minus the estimated lifetime of the good. For goods that are very old, the estimated remaining service left might be negative. In such cases, the remaining service year is replaced by two years. Finally, the ratio of the current value and the remaining lifetime of services is used to approximate the annual use value of each durable good.

#### **2.2.4. Rent for Housing**

Like durable goods, only the service derived from dwellings, not the construction or repair expenses, needs to be included in the consumption basket. The residence of a household could either be owned by the household itself or rented from others. The rental expenditure on dwellings rented from other owners could be a good estimate of the service value of housing if the rental market is competitive. The IHS5 housing module (Module F) collected rental expense for households that rent their residences from others. However, most households, especially in rural areas, own their dwellings. For these households, self-reported rental values were collected. The self-reported rental data might, however, be inaccurate. To improve the accuracy of self-reported rent, information on actual rental expense is used.

To improve the accuracy of self-reported rental expenses (as well as actual rent), a hedonic regression is estimated using logarithm of rent (for those who are renting) and a theoretic hedonic rental value is estimated for each household. The estimation takes into account types of dwelling (number of rooms and type of wall, roof, and floor), services available in the dwelling (source of drinking water, type of toilet, and availability of electricity in the home and in the village/town), and region and survey time fixed effects (urban, region, district, and survey year and month fixed effects). Based on the regression coefficients and the characteristics of the dwellings, the predicted rental value of the dwelling is estimated <sup>5</sup>. These estimates are used to replace outliers in self-reported rent data.

### **2.3. Adjustment for Household Size and Composition**

The next step in the construction of the welfare indicator requires adjusting consumption to account for household size and demographic composition of households to make welfare comparisons across individuals, not across households. This involves converting the standard of living defined

at the household level to an indicator defined at the individual level. In this report, consumption expenditure per capita is used as indicator of individual welfare.

#### **2.4. Adjustment for Cost of Living Differences**

For poverty analysis using household surveys, the nominal consumption must be adjusted for temporal and spatial differences in cost of living observed within the survey period and across survey locations. The temporal adjustment deals with differences in cost of living over time (April 2019 to April 2020). For example, MWK 1,000 in April 2019, or at the start of the fieldwork for IHS5, may not be worth the same value in April 2020, or at the end of the fieldwork for the survey. The spatial adjustment deals with differences in cost of living over locations. For example, MWK 1,000 in a rural district may not be worth the same in a large city such as Blantyre.

Because temporal price variations can differ significantly across areas, a temporal adjustment is implemented by using a combination of the unit values of food items from IHS5 and NSO nonfood CPI. These itemized unit values are combined with their respective average food budget shares in the household survey to calculate the monthly food price index. The food price index is then combined with the nonfood CPI to calculate the overall monthly price index. The food price index is calculated using unit values from the household survey—consistent with the price adjustment across surveys described earlier. At the end of this exercise, consumption in IHS5 is adjusted to prices of April/May 2019.

In addition, adjustments were also made for spatial cost-of-living differences across regions. To do this, a spatial Paasche price index is estimated. Similar to the temporal price adjustments above, food prices come from unit values from IHS5, while the price data for nonfood items come from NSO CPI. Following the source of the prices, the weights of the items in the price index come from IHS5 for food items and the weights for nonfood items comes from the weight of nonfood CPI. The food and nonfood price indexes are then combined using the average budget shares of the two consumption aggregates at the regional level.

The base for spatial price index is All-Malawi for April/May 2019, which were the beginning months of fieldwork for IHS5. Average national prices are compared with average regional prices for the same period. By having the same reference period at the national and regional levels, the difference in prices in this calculation is attributable only to spatial differences. Spatial and temporal differences in prices are combined to form the final price index.

## 2.5. The Poverty Line

The cost-of-basic-needs approach is most commonly used to establish a poverty line. In this approach, the cost of acquiring enough food for adequate nutrition—in the case of Malawi 2215 calories per person per day—is first estimated and then an allowance for the cost of other basic needs is added (Haughton and Khandker 2009; Ravallion 1998). Therefore, the total poverty line is the cost meeting basic nutritional needs (that is, food poverty line) and then allowance for other basic needs (that is, the nonfood poverty line). If a person's total expenditure is below the poverty line, the person is considered poor. An individual with consumption below the food poverty line is considered ultra-poor.

First, the caloric requirements had to be set. For Malawi, the caloric requirements were set to 2215 kcal to reflect actual intake of Sub-Saharan African countries. Once set the daily caloric requirements, the cost per calorie for a reference population has to be identified. A set of calories can be consumed through many different combinations of food. In order to price calories, a reference population needs to be identified. Ideally, the reference population would be households who are not extremely poor (thus resorting to eating extremely cheap foods) nor wealthy (consuming very expensive calories). The reference population was chosen to be the population in the 5th and 6th deciles of the consumption aggregate distribution. In fact, these are households that are close to/near the poverty line itself.

Then, the food poverty line is calculated as the price per calorie multiplied by the per capita daily caloric requirement (2215 kcal). This food poverty line is also the ultra-poverty line. The ultra-poor are those households whose total per capita expenditure levels are below the food poverty line.

Finally, the food poverty line is expanded using Ravallion & Bidani's (1994) estimation of the Orshansky coefficient to obtain the poverty line. In this approach, the nonfood allowance was estimated as the average nonfood consumption of the population whose food consumption is close to the food poverty line. Once the poverty line is established, all households can be categorized as poor or non-poor depending on whether their per capita expenditure (their welfare indicator adjusted for household size) is below or above the poverty line. The poverty headcount, then, can be computed, indicating the proportion of individuals living in poverty.

The poverty line is in essence absolute, and it also needs to be expressed in constant prices (that is, real poverty line). In other words, the poverty line is absolute because it fixes the same standard of living throughout Malawi—two persons with the same welfare level will be treated the same way

regardless of the location of their residence. Similarly, to ensure proper comparison of well-being over time, the real poverty line is used.

## 2.6. Poverty Measurements

Poverty headcount ratios were generated using poverty measures proposed by Foster, Greer, and Thorbecke (Foster et al., 1984). In addition to the poverty headcount index, the poverty gap and severity indexes were also generated. This family of poverty indexes that were employed can be summarized by the following equation:

$$P_{\alpha} = \frac{1}{N} \sum_{i=1}^N \left( \frac{z - y_i}{z} \right)^{\alpha} * I(y_i < z),$$

where  $\alpha$  is a nonnegative parameter that takes value 0, 1, or 2;  $z$  is the poverty line;  $y_i$  denotes consumption of individual  $i$ ; and  $N$  is the total number of individuals in the population.  $I(y_i < z)$  is an indicator function which is equal to 1 when individual  $i$ 's consumption is below the poverty line and 0 when the consumption is above the poverty line.

The poverty headcount index ( $\alpha = 0$ ) is the percentage of population whose consumption is below the poverty line. This simple and easy-to-interpret index is the most widely used poverty measure. However, it has some limitations in that it does not capture how close/far the poor are from the poverty line and the distribution of consumption among the poor. Two other poverty indices, the poverty gap and poverty gap squared address these limitations. The poverty gap ( $\alpha = 1$ ), which is the average consumption shortfall of the poor relative to the poverty line, addresses the first limitation by accounting for extent of consumption shortfall. Finally, the poverty severity ( $\alpha = 2$ ), which is also called poverty gap squared, accounts for the inequality among the poor. For instance, redistribution of consumption among the poor will not be captured by both poverty headcount and poverty gap. However, such a transfer, for example, transfer from a poor person to somebody less poor, increases poverty severity but might not affect headcount or poverty gap. In the poverty severity index, larger poverty gaps carry higher weight (Haughton and Khandker, 2009).

### 3. Results of the Poverty Analysis for Malawi derived from the IHS5

#### 3.1. Poverty lines

This section provides comparisons in food, non-food and national poverty lines computed for IHS4 and IHS5. The population that had a total consumption below K165, 879 was deemed poor in 2019/2020 as compared to K137, 428 in 2016/2017. As regards to ultra-poverty, the population that had a total consumption below K101, 293 in 2019/2020 was considered to be ultra-poor in the IHS5 while in 2016/2017, this was at K85, 260 (Table 3-1).

**Table 3-1: Poverty Line in Malawi Kwacha per Person per Year, Malawi 2020**

<b>POVERTY LINE</b>	<b>IHS4 (2016/2017)</b>	<b>IHS5 (2019/2020)</b>
Food	85,260	101,293
Non-Food	52,168	64,586
<b>Total</b>	<b>137,428</b>	<b>165,879</b>

*Source: Malawi Poverty Report 2020*

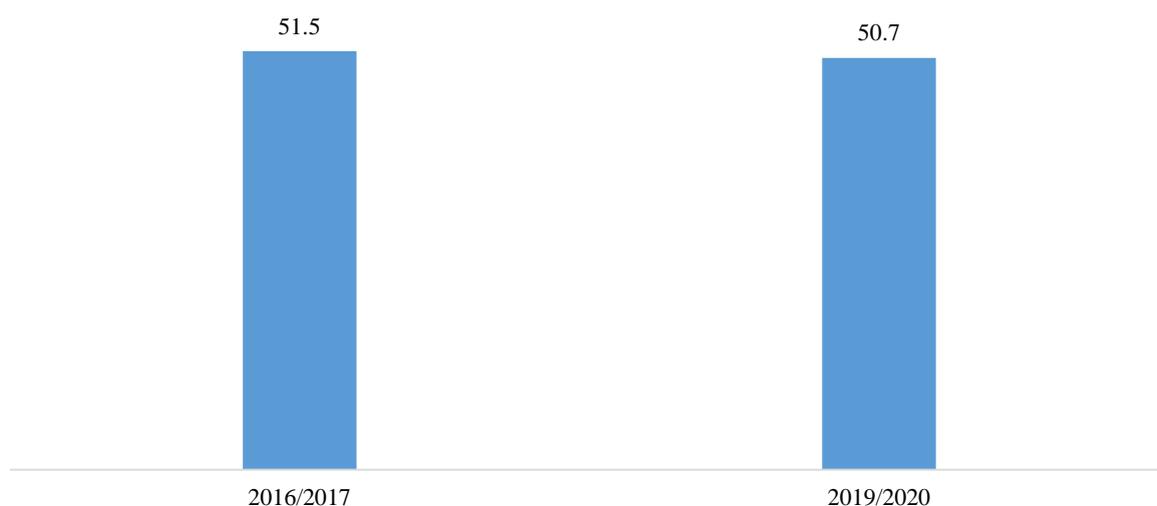
#### 3.2. Poverty Measurement (Poverty Head Count Ratios)

This section looks at how poverty and ultra-poverty rates vary across different locations in Malawi. The section further presents these results by comparing IHS5 and IHS4 results.

##### 3.2.1. Poverty Incidence (Poverty Head Count Ratio)

The proportion of population that was poor reduced from 51.5 percent in 2016/2017 to 50.7 percent 2019/2020. This means that slightly over half of the population in Malawi lived in poverty (Figure 3-1).

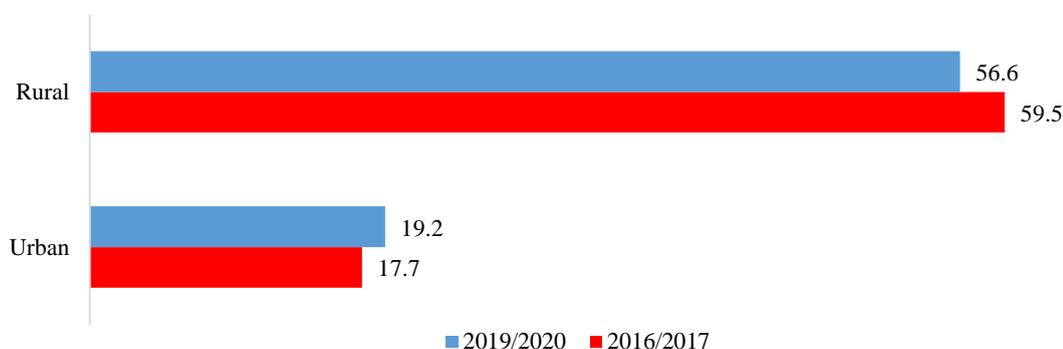
**Figure 3-1: Proportion of Poor Population (Poverty Head Count Ratio), Malawi 2020**



Source: Malawi Poverty Report 2020

Analysis by place of residence shows that 56.6 percent of people from rural areas were poor compared to 19.2 percent in urban areas in 2019/2020. The proportion of population that was poor in urban areas was higher in 2019/2020 at 19.2 percent than 17.7 percent in 2016/2017 (Figure 3-2).

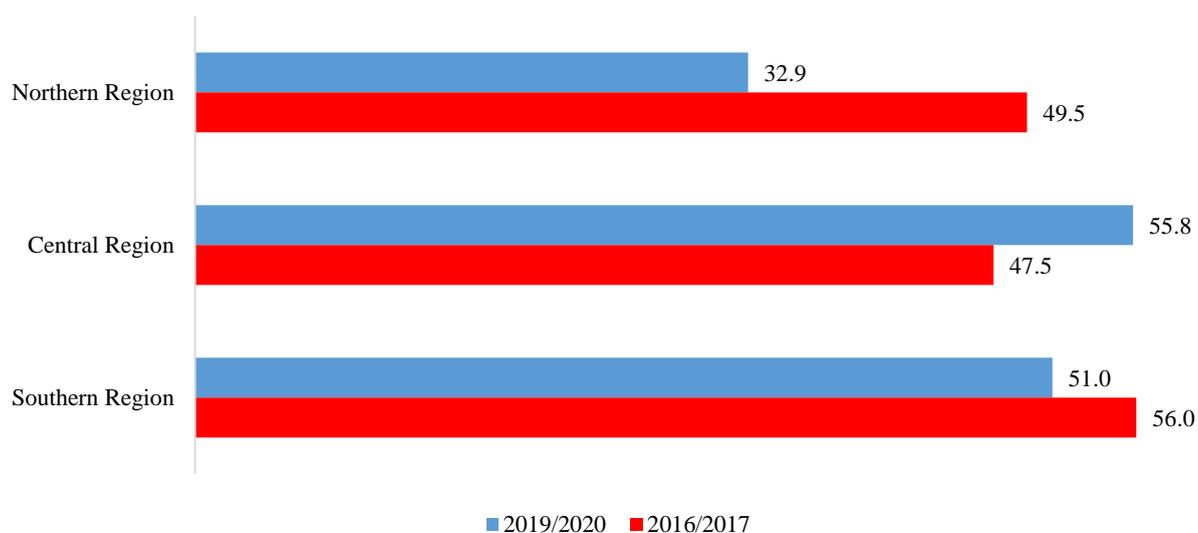
**Figure 3-2: Proportion of Poor Population (Poverty Head Count Ratio) by Place of Residence, Malawi 2020**



Source: Malawi Poverty Report 2020

At regional level, Central region had the highest proportion of population that was poor (55.8 percent) followed by Southern region (51.0 percent) and Northern region (32.9 percent) in 2019/2020. The proportion of population that was poor in Northern region declined from 49.5 percent in 2016/2017 to 32.9 percent in 2019/2020 while for Central region the proportion increased from 47.5 percent in 2016/2017 to 55.8 percent in 2019/2020 (Figure 3-3).

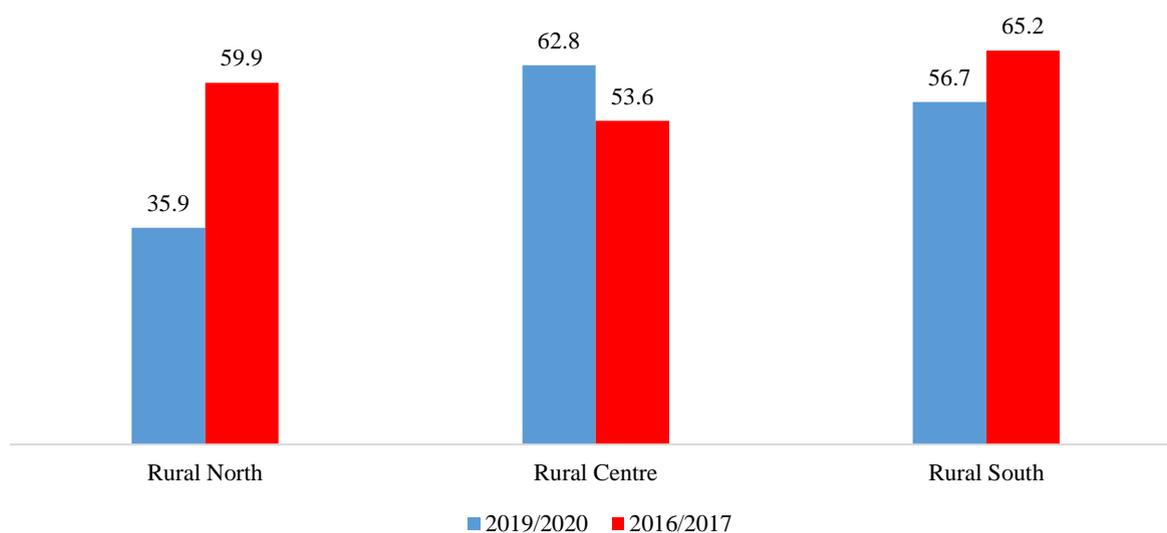
**Figure 3-3: Proportion of Poor Population (Poverty Head Count Ratio) by Region, Malawi 2020**



Source: Malawi Poverty Report 2020

The proportion of population that was poor in rural north decreased from 59.9 percent in 2016/2017 to 35.9 percent in 2019/2020, in rural centre, the proportion increased from 53.6 percent in 2016/2017 to 62.8 percent in 2019/2020 while in rural south the proportion decreased from 65.2 percent in 2016/2017 to 56.7 percent in 2019/2020 (Figure 3-4).

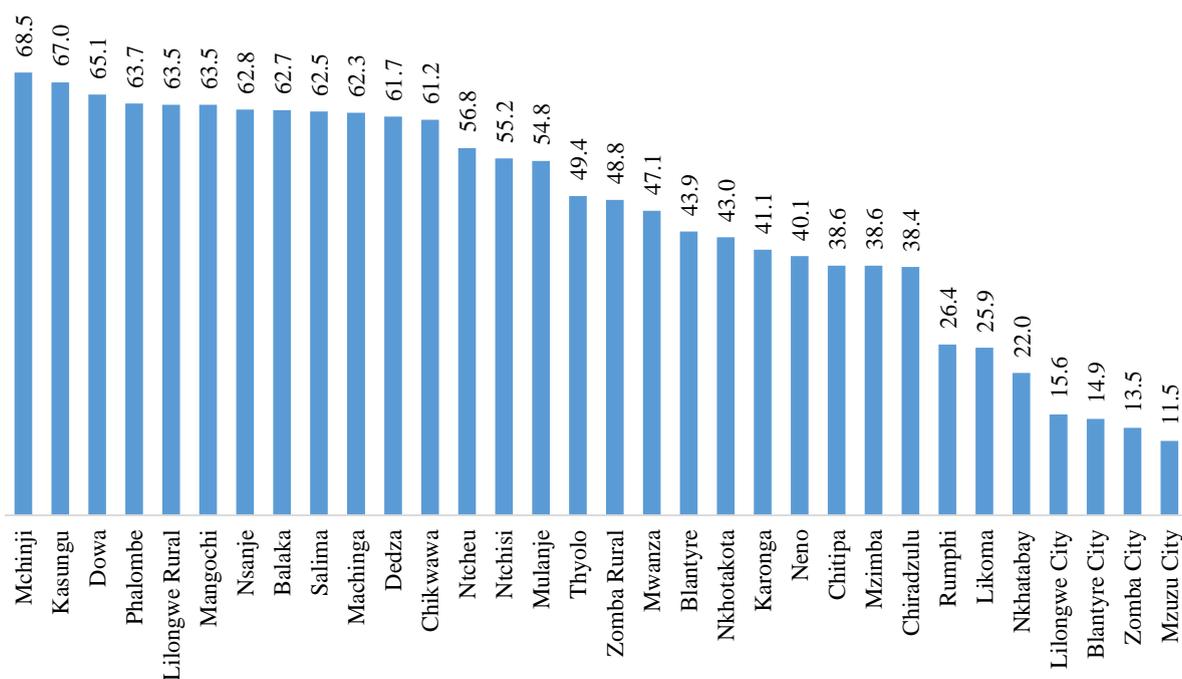
**Figure 3-4: Proportion of Poor Population (Poverty Head Count Ratio) by Rural Areas in the Regions, Malawi 2020**



Source: Malawi Poverty Report 2020

As regards districts, Mchinji registered the highest poverty rate at 68.5 percent in 2019/2020 followed by Kasungu at 67.0 percent and Dowa at 65.1 percent. Mzuzu City registered the lowest poverty rate at 11.5 percent followed by Zomba City at 13.5 percent and Blantyre City at 14.9 percent (Figure 3-5).

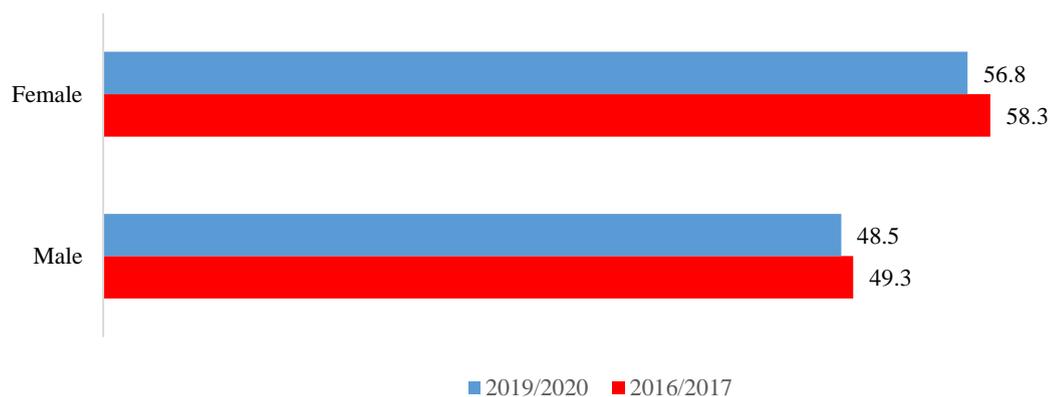
**Figure 3-5: Proportion of Poor Population (Poverty Head Count Ratio) by Districts, Malawi 2020**



Source: Malawi Poverty Report 2020

Analysis by sex of household head shows that 56.8 percent of people in female-headed households were poor in 2019/2020 compared to 48.5 percent in male-headed households. The proportion of people that were poor in female-headed households decreased from 58.3 percent in 2016/2017 to 56.8 percent in 2019/2020 (Figure 3-6).

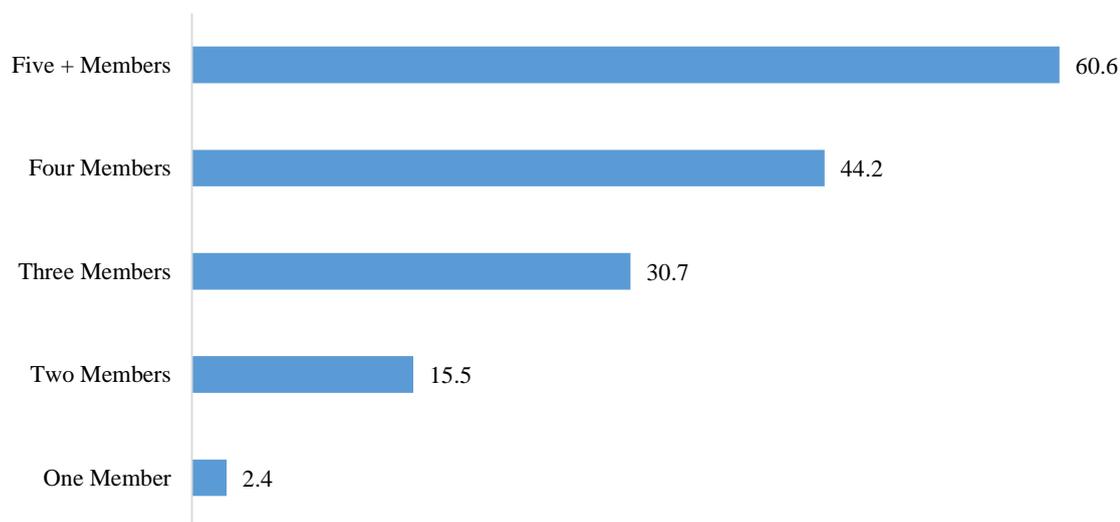
**Figure 3-6: Proportion of Poor Population (Poverty Head Count Ratio) by Sex of Household Head, Malawi 2020**



Source: Malawi Poverty Report 2020

Analysis by household size shows that 60.6 percent of the people in households that had five or more members were poor in 2019/2020 compared to 44.2 percent in households with four members and 2.4 percent in households with just one member (Figure 3-7).

**Figure 3-7: Proportion of Poor Population (Poverty Head Count Ratio) by Household Size, Malawi 2020**

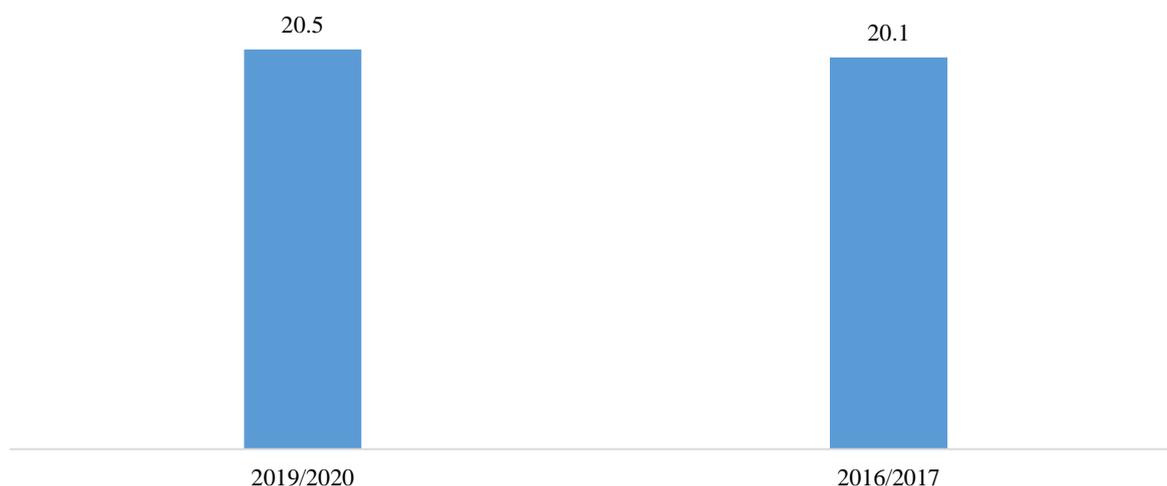


Source: Malawi Poverty Report 2020

### 3.2.2. Ultra-Poverty Incidence (Ultra-Poverty Head Count Ratio)

Overall, 20.5 percent of the population lived in extreme poverty in 2019/2020 compared to 20.1 percent in 2016/2017 (Figure 3-8).

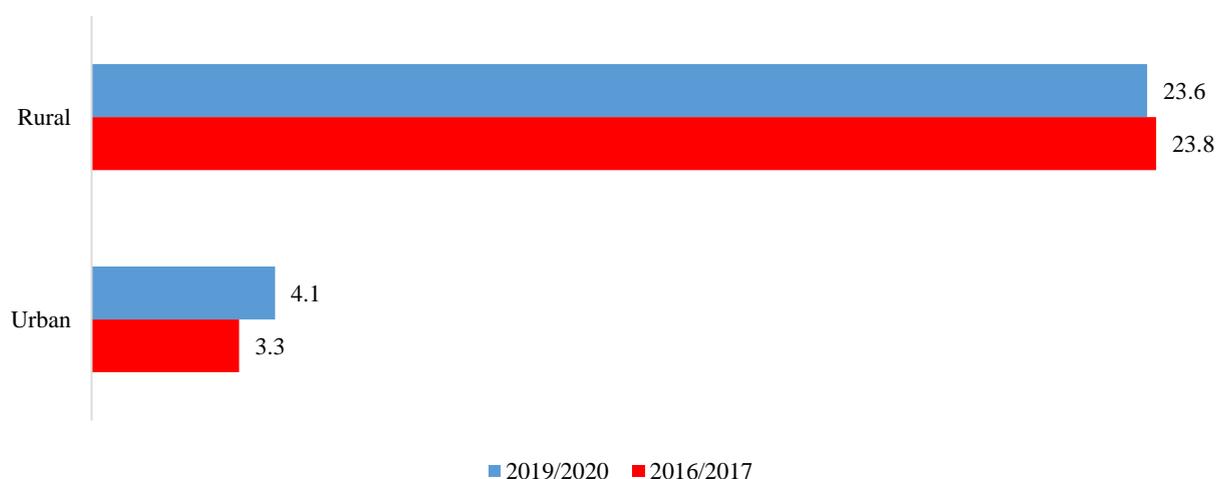
**Figure 3-8: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio), Malawi 2020**



Source: Malawi Poverty Report 2020

The level of ultra-poverty in rural areas was 23.6 percent in 2019/2020 and 23.8 percent in 2016/2017. In urban areas, the level of ultra-poverty decreased from 4.1 percent in 2016/2017 to 3.3 percent in 2019/2020 (Figure 3-9).

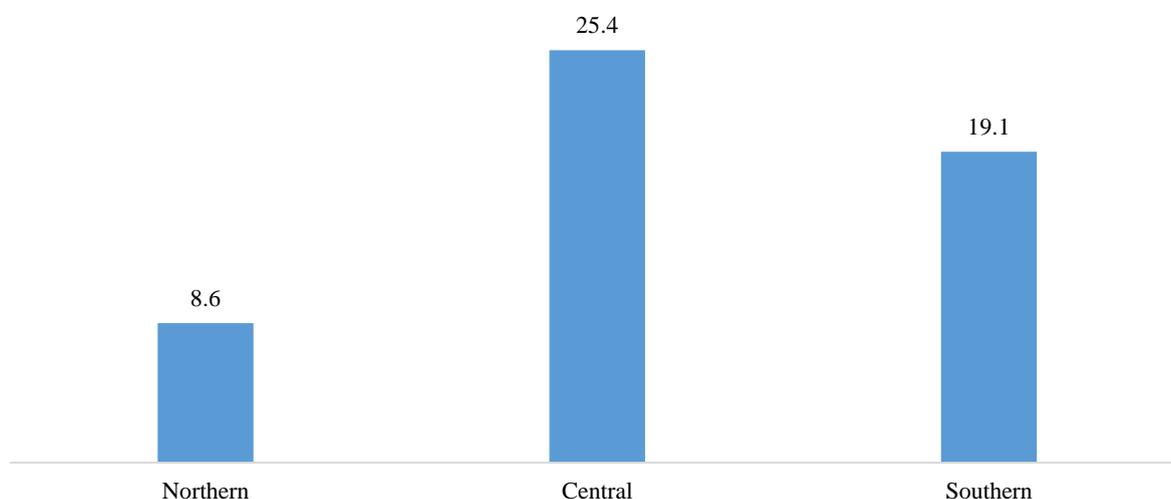
**Figure 3-9: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by Place of Residence, Malawi 2020**



Source: Malawi Poverty Report 2020

At regional level, Central region had the highest ultra-poverty rate in 2019/2020 (25.4 percent) followed by Southern region (19.1 percent) and Northern region (8.6 percent) (Figure 3-10).

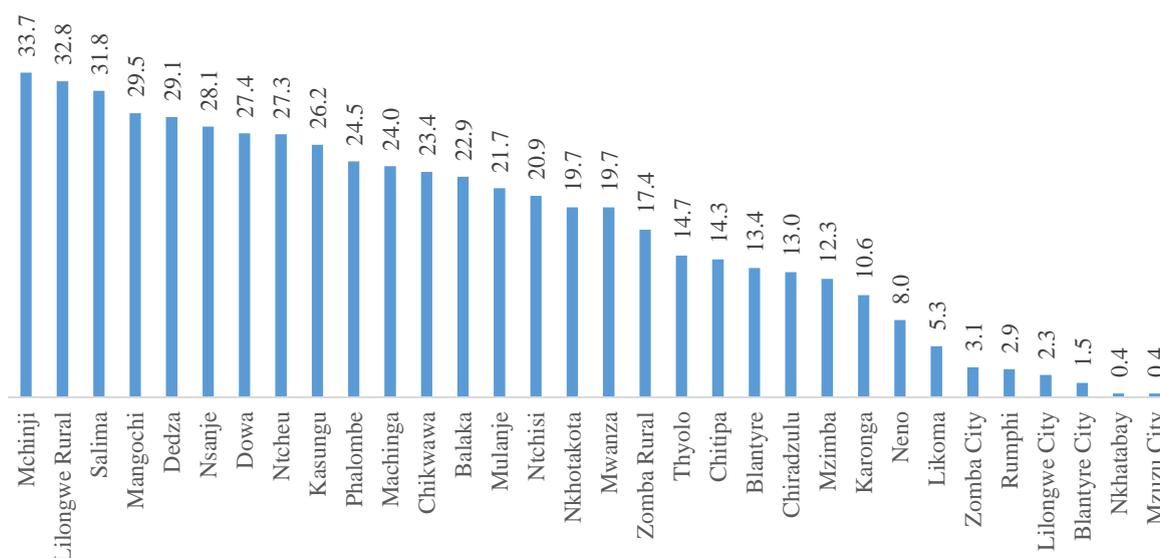
**Figure 3-10: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by Region, Malawi 2020**



*Source: Malawi Poverty Report 2020*

Analysis by district shows that Mchinji registered the highest ultra-poverty rate in 2019/2020 at 33.7 percent followed by Lilongwe Rural at 32.8 percent and Salima at 31.8 percent. Mzuzu City and Nkhata Bay registered the lowest ultra-poverty rate at 0.4 percent each followed by Blantyre City at 1.5 percent and Lilongwe City at 2.3 percent (Figure 3-11).

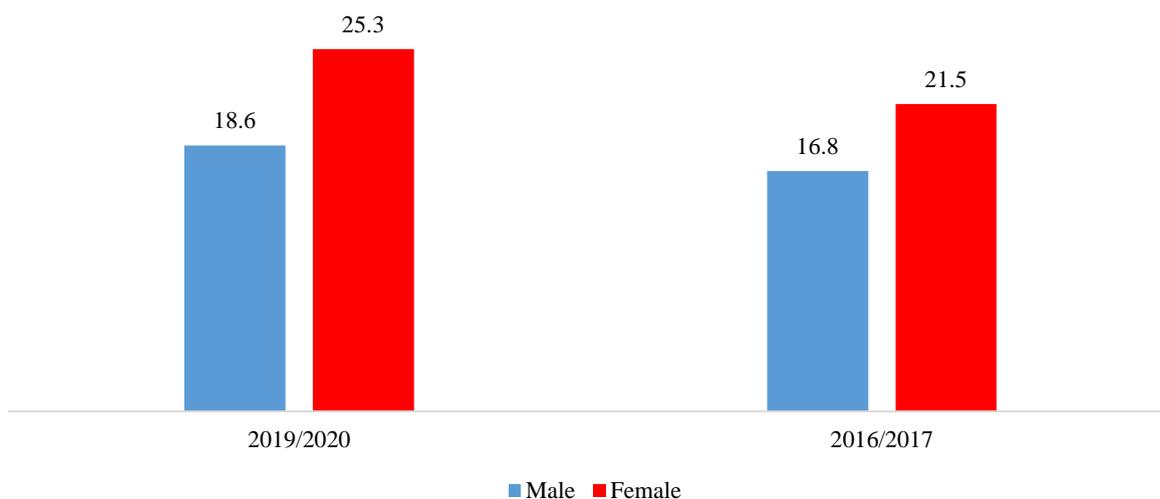
**Figure 3-11: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by District, Malawi 2020**



Source: Malawi Poverty Report 2020

Analysis by sex of household head shows that 25.3 percent of female-headed households were ultra-poor in 2019/2020 compared to 21.5 percent in 2016/2017. As regards male-headed households, 18.6 percent were ultra-poor in 2019/2020 compared to 16.8 percent in 2016/2017 (Figure 3-12).

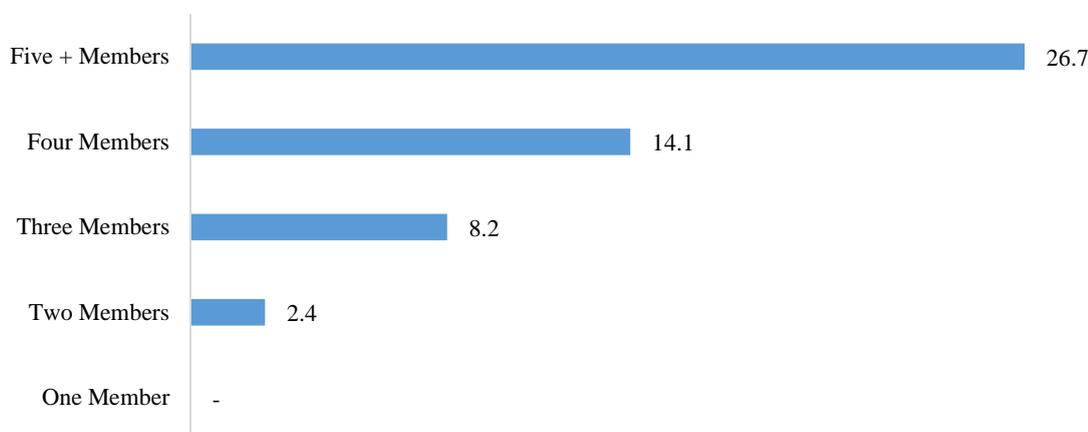
**Figure 3-12: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by Sex of Household Head, Malawi 2020**



Source: Malawi Poverty Report 2020

Analysis by household size shows that 26.7 percent of the people in households that had five or more members were ultra-poor in 2019/2020 compared to 14.1 percent in households with four members and 2.4 percent in households with two members (Figure 3-13).

**Figure 3-13: Proportion of Ultra-Poor Population (Ultra-Poverty Head Count Ratio) by Household Size, Malawi 2020**



Source: Malawi Poverty Report 2020

### 3.3. Income inequality in Malawi

Poverty estimates that have been presented show the share of the population below the poverty line. However these estimates fail to reveal any information about the distribution of income above or below the threshold. Inequality measures, instead, reveal the inequality in the distribution of income for the entire population.

This section presents measures of income inequalities such as poverty gap, squared poverty gap, Lorenz curve and Gini coefficient.

#### 3.3.1. Poverty Gap and Squared Poverty Gap Indices

Poverty measurement is not limited to headcount ratios, it is also very important to look into the depth (poverty gap) and severity of poverty (squared poverty gap).

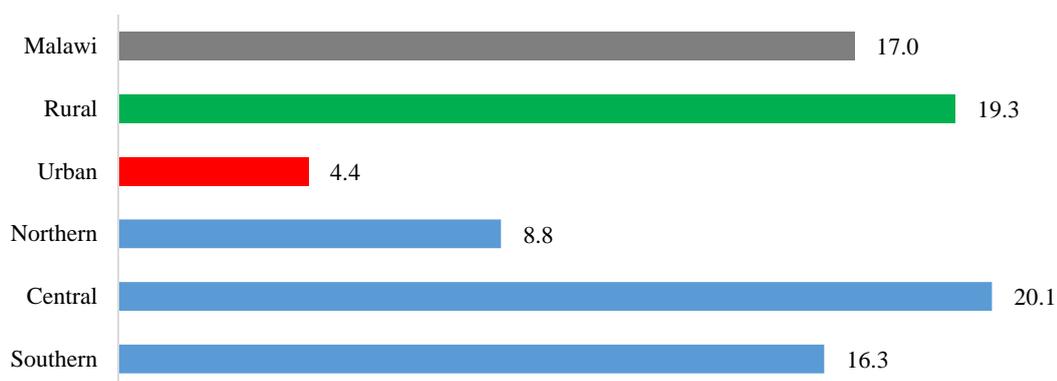
Poverty gap is the average consumption shortfall of the population relative to the poverty line. Poverty gap index estimates the depth of poverty by considering how far, on the average, the poor are from that poverty line.

Squared poverty gap, on the other hand, measures the severity of poverty and this is computed by squaring the poverty gap index. This measure gives greater weight to individuals/households that fall far below the poverty line than those that are closer to it.

At national level, poor population had a consumption of 17.0 percent below the poverty line in 2019/2020. Poverty was deeper in rural areas at 19.3 percent compared to 4.4 percent in urban areas.

Analysis by region shows that poverty was deeper in the Central region at 20.1 percent compared to the Southern and Northern regions at 16.3 percent and 8.8 percent, respectively (Figure 3-14).

**Figure 3-14: Poverty Gap Indices by Place of Residence and Region, Malawi 2020**

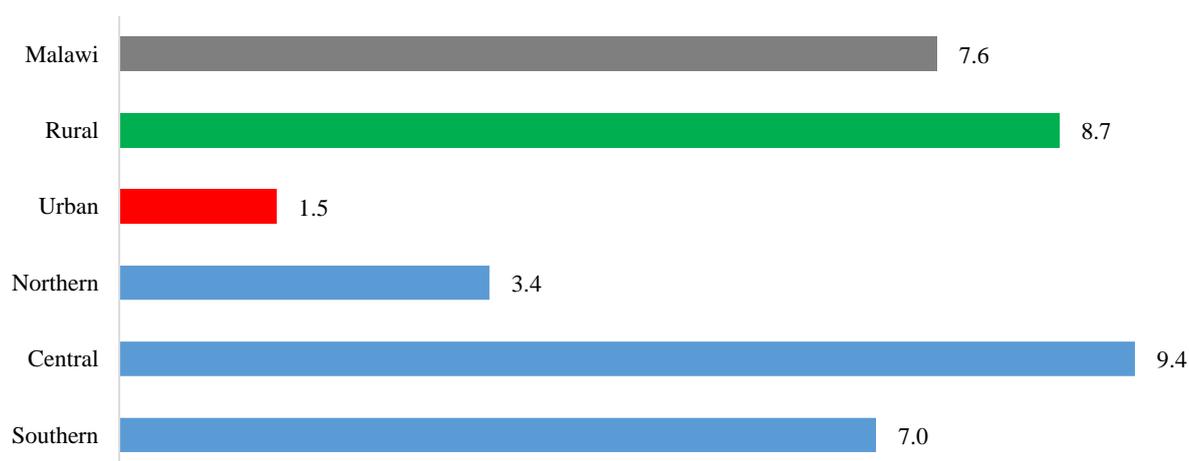


Source: Malawi Poverty Report 2020

Overall, the squared poverty gap was 7.6 percent in 2019/2020. Poverty was severe in rural areas at 8.7 percent compared to 1.5 percent in urban areas.

The severity of poverty was higher in the Central region at 9.4 percent compared to 7.0 percent in the Southern region and 3.4 percent in the Northern region (Figure 3-15).

**Figure 3-15: Squared Poverty Gap by Place of Residence and Region, Malawi 2020**



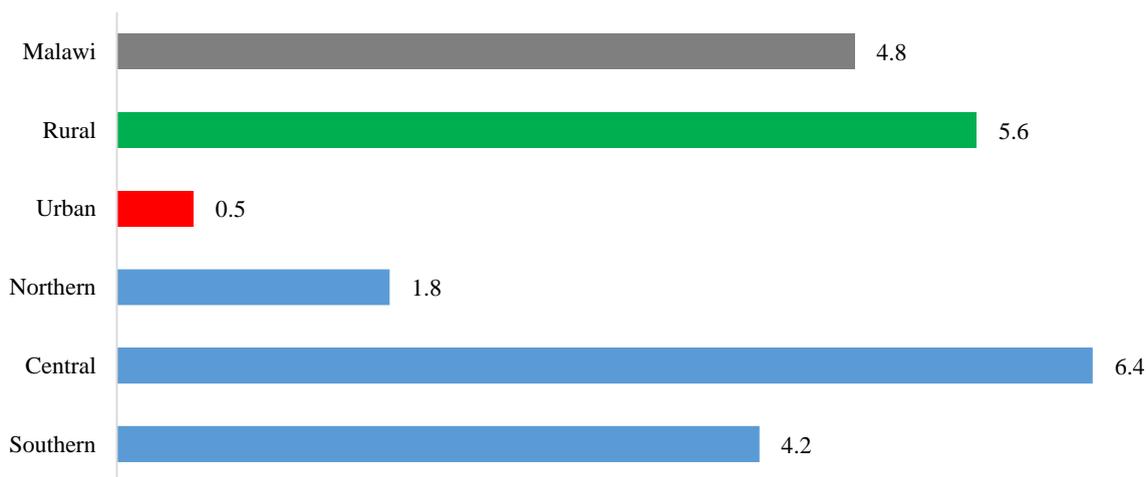
Source: Malawi Poverty Report 2020

### 3.3.2. Ultra-Poverty Gap and Squared Ultra-Poverty Gap Indices

Ultra-poverty gap was at 4.8 percent below the ultra-poverty line in 2019/2020. Ultra-poverty was deeper in rural areas at 5.6 percent compared to 0.5 percent in the urban areas.

Analysis by region shows that ultra-poverty was deeper in the Central region at 6.4 percent compared to 4.2 percent in the Southern Region and 1.8 percent in the Northern region (Figure 3-16).

**Figure 3-16: Ultra-Poverty Gap by Place of Residence and Region, Malawi 2020**

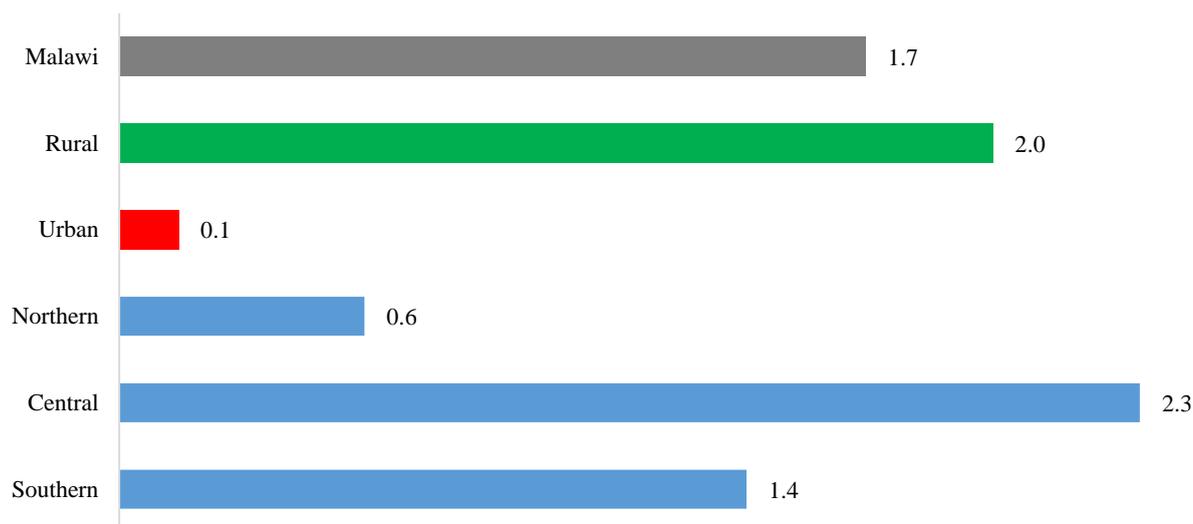


*Source: Malawi Poverty Report 2020*

Overall, squared ultra-poverty gap was 1.7 percent in 2019/2020. Ultra-poverty was severe in rural areas at 2.0 percent compared to 0.1 percent in urban areas.

The severity of ultra-poverty was high in the Central region at 2.3 percent compared to 1.4 percent in the Southern region and 0.6 percent in the Northern region (Figure 3-17).

**Figure 3-17: Squared Ultra Poverty Gap by Place of Residence and Region, Malawi 2020**



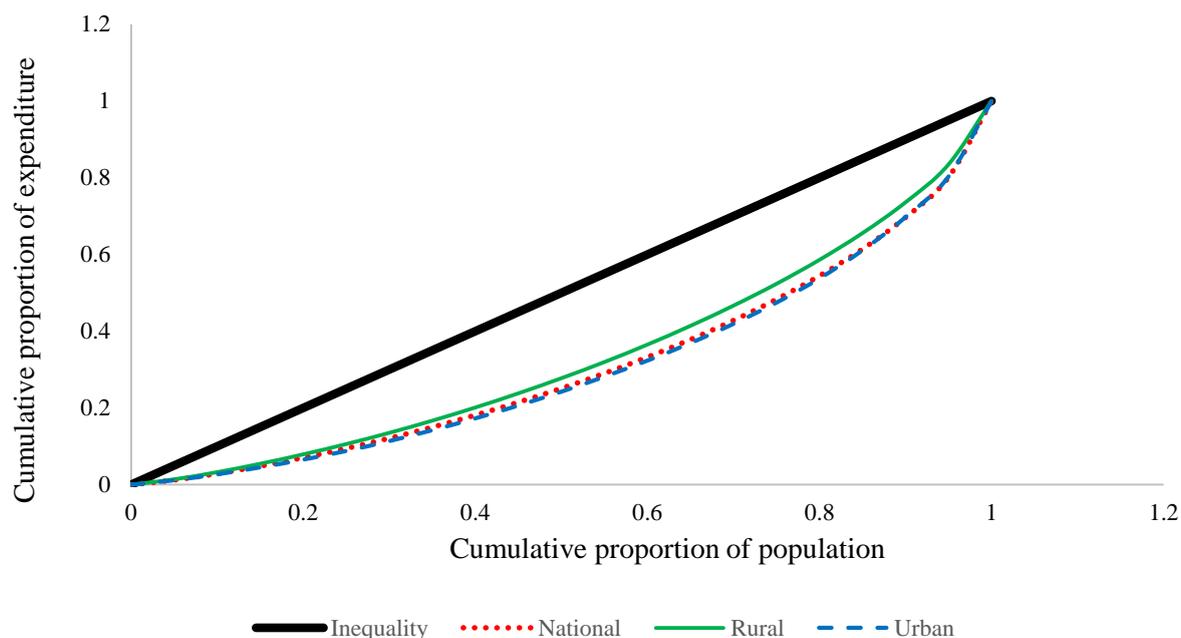
*Source: Malawi Poverty Report 2020*

### **3.3.3. Lorenz Curve**

Lorenz curve is a graphical representation of the distribution of income (consumption per capita) associated with a given share of the population. The diagonal line in the graph represents perfect equality and it depicts any percentage of the population that would receive the same share in total consumption. The red dashed line below the diagonal line shows how far the population at national level is from perfect equality. The closer the curved line is to the diagonal line, the more equal the distribution is.

The solid curved line (green) is somehow closer to the perfect equality relative to the dashed (blue) curved line. This implies that the degree of inequality was high for urban population compared to the rural population (Figure 3-18).

**Figure 3-18: Lorenz Curve: Rural and Urban Consumption by Population, Malawi 2020**



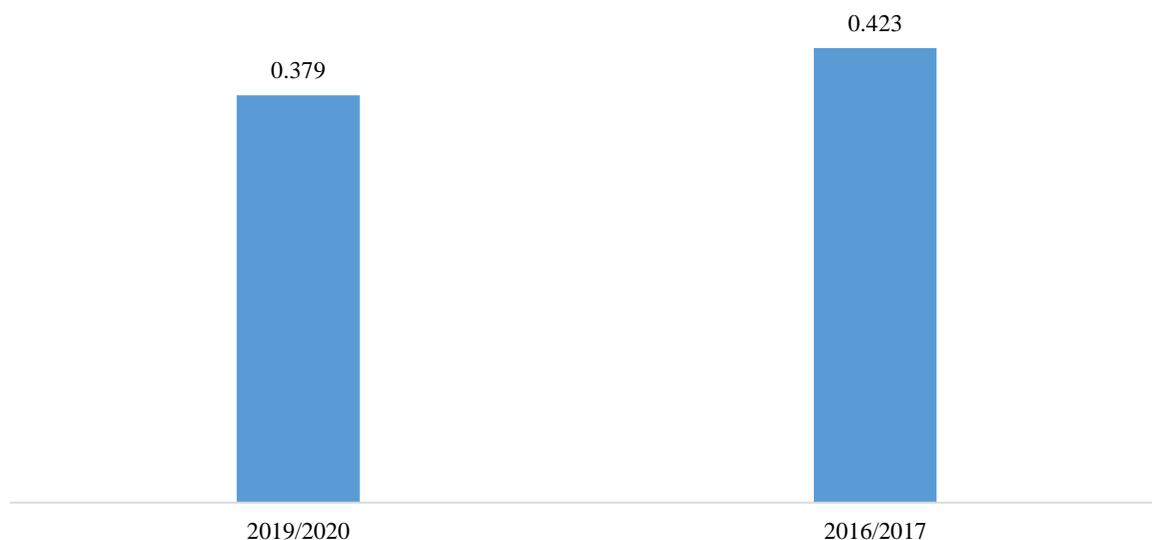
Source: Malawi Poverty Report 2020

### 3.3.4. Gini Coefficient

Another measure of income inequality is the Gini coefficient. A Gini coefficient is a standard measure of the amount of inequality and is based on the mathematical measure of the Lorenz curve. The Gini coefficient is the area between the Lorenz curve that would exist in a perfect equality and the Lorenz curve that does exist, divided by the area under the Lorenz curve that would exist in a perfect equality. The coefficients are normalized to run from zero in a perfect equality in income, to one, in a society where the richest person holds all the income.

Overall, the degree of inequality declined from 0.423 in 2016/2017 to 0.379 in 2019/2020 (Figure 3-19).

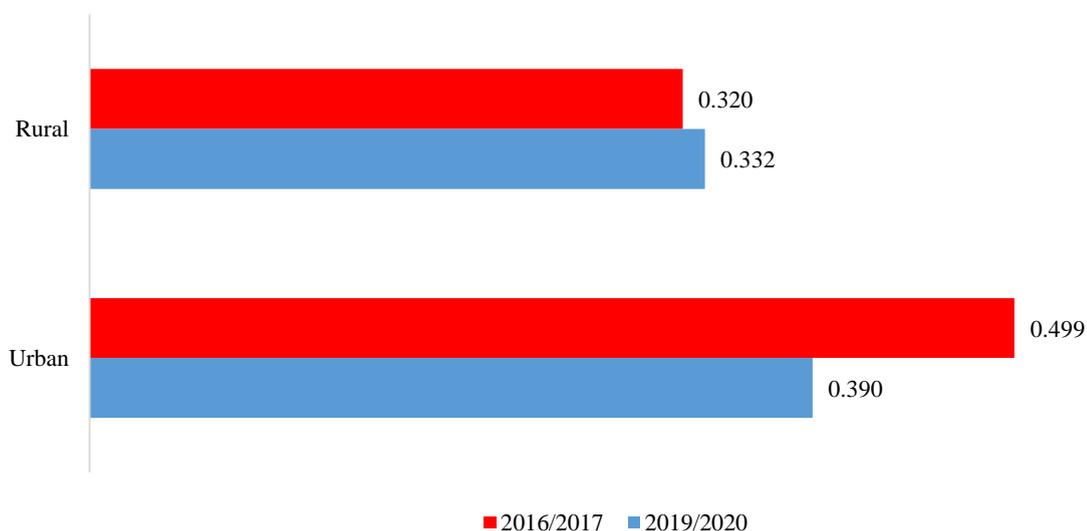
**Figure 3-19: Gini Coefficient at National Level, Malawi 2020**



Source: Malawi Poverty Report 2020

Analysis by place of residence indicates that the degree of inequality decreased from 0.499 in 2016/2017 to 0.390 in 2019/2020 in urban areas. As regards to rural areas, the degree of inequality also decreased from 0.320 in 2016/2017 to 0.332 in 2019/2020 (Figure 3-20).

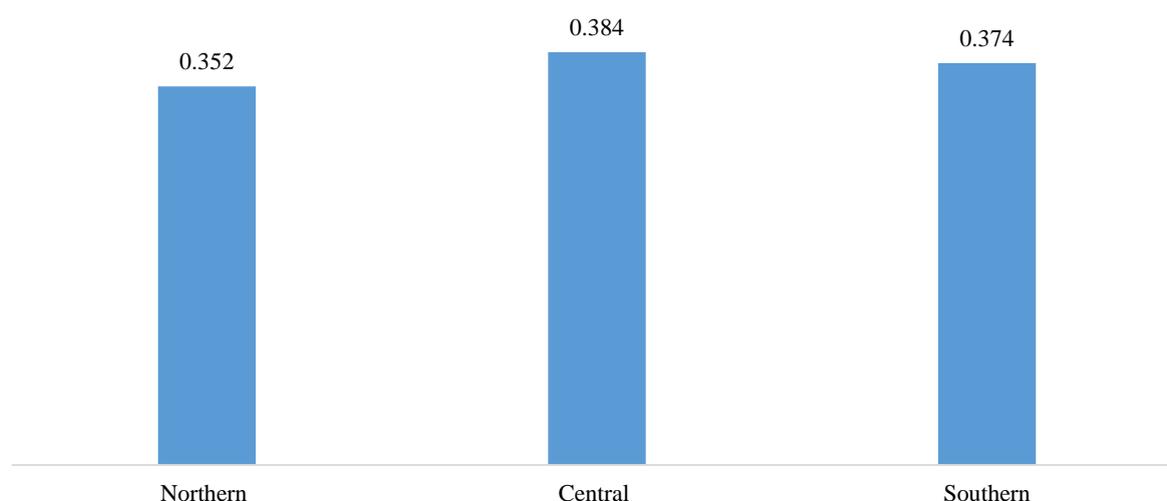
**Figure 3-20: Gini Coefficient by Place of Residence, Malawi 2020**



Source: Malawi Poverty Report 2020

Analysis by region indicates that inequality was higher in the Central region (0.384) in 2019/2020 followed by the Southern region (0.374) and Northern region (0.352) (Figure 3-21).

**Figure 3-21: Gini Coefficient by Region, Malawi 2020**



*Source: Malawi Poverty Report 2020*

### **3.4. Per Capita Consumption**

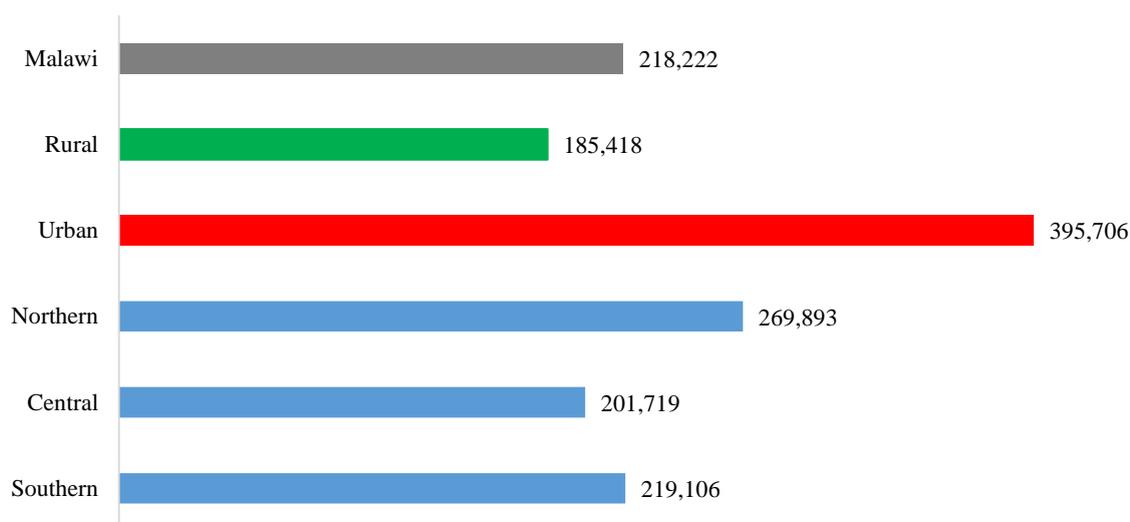
Market prices were used to record the value of all purchased items and the same prices were used to impute values for all in-kind and gifts.

Average annual per capita consumption in Malawi was MK218, 222 suggesting that on average, a Malawian consumed about MK598 per day in 2019/2020.

The mean annual per capita consumption for urban areas was higher at MK395, 706 compared to MK185, 418 in rural areas suggesting that on average a person in urban areas consumed about MK1, 084 per day while in rural areas consumed about MK508 per day.

Analysis by regions shows that the mean annual per capita consumption for the Northern region was higher at MK269, 983 compared to that for Southern region and Central region at MK219, 106 and MK201, 719 respectively. This implies that the mean consumption per person per day in the Northern region was MK739, MK600 in the Southern Region and MK553 in the Central region (Figure 3-22).

**Figure 3-22: Mean Per Capita Consumption in Malawi Kwacha by Place of Residence and Region, Malawi 2020**



Source: *Malawi Poverty Report 2020*

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<sup>1</sup> The list of items and their respective trimming threshold is available upon request.

<sup>2</sup> The survey collects information on durable assets used for productive purposes. However, these goods are not directly used to improve welfare and hence are not included in the consumption aggregate.

<sup>3</sup> Due to lack of data on purchase value, the estimated current value is used for approximating the total value of the durable goods.

<sup>4</sup> The decision to use a different approach for car and motorcycle gives a more reasonable estimated lifetime: 11.8 years and 9.0 years, respectively. However, if we decide to adopt uniform distribution assumption, the estimated lifetime for car and motorcycle becomes only 7.9 years and 6.0 years, respectively.

<sup>5</sup> The predicted rent in logarithm is converted into normal scale.

## Appendix A

**Table-A 1: Poverty Incidence by Place of Residence, Region and District, Malawi 2020**

Background Characteristics	IHS4				IHS5			
	Estimate	Std. Err.	95% Conf. Interval		Mean	Std. Err.	95% Conf. Interval	
			Lower	Upper			Lower	Upper
<b>Malawi</b>	<b>51.5</b>	<b>0.8</b>	<b>49.9</b>	<b>53.2</b>	<b>50.8</b>	<b>0.5</b>	<b>49.8</b>	<b>51.7</b>
Rural	17.7	1.7	14.4	21.1	56.6	0.5	55.6	57.6
Urban	59.5	0.9	57.6	61.3	19.2	0.9	17.5	20.9
<b>Region</b>								
Rural North	59.9	2.0	56.0	63.9	35.9	1.2	33.6	38.2
Rural Centre	53.6	1.5	50.6	56.5	62.8	0.8	61.1	64.4
Rural South	65.2	1.2	62.8	67.6	56.7	0.7	55.3	58.2
<b>District</b>								
Chitipa	73.8	2.5	68.9	78.7	38.6	2.5	33.7	43.5
Karonga	57.1	4.9	47.6	66.7	41.1	2.5	36.1	46.0
Nkhatabay	57.7	4.7	48.4	67.0	22.0	2.3	17.5	26.4
Rumphi	53.6	4.2	45.4	61.7	26.4	2.4	21.6	31.1
Mzimba	42.9	5.7	31.7	54.2	38.6	2.7	33.3	43.9
Likoma	31.4	5.5	20.6	42.2	25.9	7.9	10.5	41.3
Mzuzu City	9.7	2.7	4.5	15.0	11.5	1.6	8.3	14.7
Kasungu	53.0	3.8	45.6	60.4	67.0	2.4	62.3	71.7
Nkhotakota	53.4	5.2	43.1	63.7	43.0	2.6	37.8	48.1
Ntchisi	53.5	5.0	43.7	63.2	55.2	2.7	49.9	60.5
Dowa	48.8	3.9	41.1	56.5	65.1	2.6	60.0	70.2
Salima	58.4	4.1	50.3	66.5	62.4	2.5	57.5	67.4
Lilongwe	47.9	3.9	40.3	55.6	63.5	2.0	59.5	67.4
Mchinji	50.5	4.7	41.3	59.8	68.5	2.5	63.6	73.3
Dedza	63.1	2.9	57.4	68.7	61.6	2.6	56.6	66.7
Ntcheu	54.1	4.4	45.5	62.7	56.8	2.6	51.6	62.0
Lilongwe City	18.0	2.7	12.6	23.4	15.6	1.6	12.6	18.7
Mangochi	59.5	4.8	50.0	68.9	63.5	2.5	58.7	68.4
Machinga	72.4	3.8	64.9	79.8	62.3	2.6	57.2	67.3
Zomba	55.9	3.3	49.5	62.4	48.8	2.7	43.5	54.0
Chiradzulu	66.4	3.5	59.6	73.2	38.4	2.6	33.3	43.4
Blantyre	38.9	3.5	32.1	45.7	43.9	2.6	38.8	49.0
Mwanza	53.6	4.6	44.5	62.6	47.0	2.8	41.6	52.5
Thyolo	67.3	3.7	60.0	74.6	49.4	2.6	44.4	54.4
Mulanje	69.2	3.7	62.0	76.4	54.8	2.6	49.7	59.9
Phalombe	83.2	2.5	78.2	88.1	63.7	2.6	58.7	68.8
Chikwawa	63.2	3.9	55.4	70.9	61.2	2.6	56.1	66.3
Nsanje	74.3	3.7	67.2	81.5	62.8	2.6	57.7	67.9
Balaka	61.3	4.3	52.8	69.8	62.7	2.5	57.8	67.7
Neno	46.9	3.6	39.8	53.9	40.1	2.7	34.7	45.4
Zomba City	15.8	2.5	10.8	20.8	13.5	1.9	9.8	17.1
Blantyre City	8.0	2.1	3.9	12.2	14.9	1.9	11.2	18.6

Source: Malawi Poverty Report 2020

**Table-A 2: Ultra-Poverty Incidence by Place of Residence, Region and District, Malawi 2020**

Rural and Urban, Region and District	IHS4				IHS5			
	Estimate	Standard Error	95% Confidence Interval		Estimate	Standard Error	95% Confidence Interval	
			Lower	Upper			Lower	Upper
<b>Malawi</b>	<b>20.1</b>	<b>0.6</b>	<b>18.8</b>	<b>21.3</b>	<b>20.5</b>	<b>0.4</b>	<b>19.7</b>	<b>21.2</b>
Urban	4.1	0.7	2.8	5.5	3.3	0.4	2.6	4.1
Rural	23.8	0.8	22.3	25.3	23.6	0.4	22.8	24.5
Northern Rural	23.2	1.6	20.1	26.2	9.8	0.7	8.4	11.2
Central Rural	18.9	1.2	16.6	21.2	29.5	0.8	28.0	31.1
Southern Rural	28.8	1.1	26.6	31.0	22.0	0.6	20.8	23.2
Chitipa	33.8	3.1	27.7	40.0	14.3	1.8	10.8	17.8
Karonga	22.7	3.7	15.5	30.0	10.6	1.6	7.5	13.7
Nkhatabay	16.3	3.3	9.9	22.7	0.4	0.3	-0.3	1.0
Rumphi	17.3	3.4	10.6	24.0	2.9	0.9	1.1	4.7
Mzimba	16.8	3.5	10.0	23.7	12.3	1.8	8.7	15.9
Likoma	4.4	2.5	-0.5	9.2	5.3	4.0	-2.6	13.2
Mzuzu City	2.0	1.1	-0.1	4.1	0.4	0.3	-0.2	1.1
Kasungu	14.5	2.7	9.2	19.8	26.2	2.2	21.8	30.6
Nkhotakota	25.1	5.6	14.1	36.1	19.7	2.1	15.6	23.9
Ntchisi	22.8	5.4	12.2	33.4	20.9	2.2	16.5	25.2
Dowa	15.6	3.1	9.6	21.6	27.4	2.4	22.6	32.1
Salima	26.6	3.3	20.1	33.0	31.8	2.4	27.0	36.5
Lilongwe Rural	13.9	2.4	9.2	18.6	32.8	2.0	29.0	36.6
Mchinji	17.4	3.1	11.3	23.5	33.7	2.5	28.7	38.6
Dedza	25.6	3.6	18.5	32.7	29.1	2.4	24.3	33.9
Ntcheu	19.2	3.0	13.4	25.1	27.3	2.4	22.6	32.0
Lilongwe City	4.7	1.2	2.3	7.1	2.3	0.6	1.0	3.5
Mangochi	22.8	3.1	16.7	29.0	29.5	2.3	24.9	34.1
Machinga	28.5	3.1	22.4	34.6	24.0	2.3	19.5	28.5
Zomba Rural	19.3	2.9	13.6	25.0	17.4	2.0	13.5	21.4
Chiradzulu	28.0	3.4	21.2	34.8	13.0	1.8	9.5	16.5
Blantyre	11.5	2.5	6.7	16.4	13.4	1.8	9.9	16.9
Mwanza	16.0	3.1	9.9	22.0	19.7	2.2	15.3	24.1
Thyolo	29.3	4.7	20.2	38.4	14.7	1.8	11.2	18.3
Mulanje	35.8	4.6	26.8	44.8	21.7	2.2	17.5	25.9
Phalombe	50.6	3.2	44.2	56.9	24.5	2.3	20.0	29.0
Chikwawa	34.6	3.9	26.8	42.3	23.4	2.3	19.0	27.9
Nsanje	37.0	4.1	29.0	45.1	28.1	2.4	23.4	32.8
Balaka	21.5	2.8	16.0	27.1	22.9	2.2	18.6	27.2
Neno	16.6	2.6	11.5	21.7	8.0	1.5	5.0	11.0
Zomba City	3.9	1.5	1.0	6.8	3.1	1.0	1.3	5.0
Blantyre City	1.0	1.0	-0.9	2.9	1.5	0.6	0.2	2.8

Source: Malawi Poverty Report 2020

**Table-A 3: Poverty Incidence and Share of Population Distribution by Place of Residence, Region and District, Malawi 2020**

Rural and Urban, Region and District	Poverty	Ultra-poverty	Population	Poor	Ultra-poor
	(% of population)	(% of population)	(%)	(%)	(%)
<b>Malawi</b>	<b>50.8</b>	<b>20.5</b>	<b>100</b>	<b>100</b>	<b>100</b>
Urban	19.2	3.3	15.6	5.9	2.5
Rural	56.6	23.6	84.4	94.1	97.5
Northern Region	32.9	8.6	13.0	8.4	5.4
Central Region	55.8	25.4	42.9	47.2	53.3
Southern Region	51.0	19.1	44.1	44.4	41.3
Chitipa	38.6	14.3	1.3	1.0	0.9
Karonga	41.1	10.6	2.1	1.7	1.1
Nkhatabay	22.0	0.4	1.6	0.7	0.0
Rumphi	26.4	2.9	1.3	0.7	0.2
Mzimba	38.6	12.3	5.3	4.0	3.2
Likoma	25.9	5.3	0.1	0.0	0.0
Mzuzu City	11.5	0.4	1.3	0.3	0.0
Kasungu	67.0	26.2	4.8	6.3	6.2
Nkhotakota	43.0	19.7	2.2	1.9	2.2
Ntchisi	55.2	20.9	1.8	2.0	1.9
Dowa	65.1	27.4	4.4	5.7	5.9
Salima	62.5	31.8	2.7	3.4	4.3
Lilongwe Rural	63.5	32.8	9.3	11.7	14.9
Mchinji	68.5	33.7	3.4	4.6	5.6
Dedza	61.7	29.1	4.7	5.7	6.7
Ntcheu	56.8	27.3	3.8	4.2	5.0
Lilongwe City	15.6	2.3	5.7	1.8	0.6
Mangochi	63.5	29.5	6.6	8.3	9.5
Machinga	62.3	24.0	4.2	5.2	5.0
Zomba Rural	48.8	17.4	4.2	4.1	3.6
Chiradzulu	38.4	13.0	2.0	1.5	1.3
Blantyre	43.9	13.4	2.6	2.2	1.7
Mwanza	47.1	19.7	0.8	0.7	0.7
Thyolo	49.4	14.7	4.1	4.0	2.9
Mulanje	54.8	21.7	3.9	4.2	4.1
Phalombe	63.7	24.5	2.5	3.1	2.9
Chikwawa	61.2	23.4	3.2	3.9	3.7
Nsanje	62.8	28.1	1.7	2.1	2.3
Balaka	62.7	22.9	2.5	3.1	2.8
Neno	40.1	8.0	0.8	0.6	0.3
Zomba City	13.5	3.2	0.6	0.2	0.1
Blantyre City	14.9	1.5	4.5	1.3	0.3

Source: Malawi Poverty Report 2020

**Table-A 4: Gini Coefficient by Place of Residence, Region and District, Malawi 2020**

<b>Background Characteristics</b>	<b>GE(-1)</b>	<b>GE(0)</b>	<b>GE(1)</b>	<b>GE(2)</b>	<b>Gini</b>
Malawi	0.265	0.237	0.277	0.561	0.379
Rural	0.202	0.181	0.198	0.281	0.332
Urban	0.291	0.253	0.296	0.642	0.390
Northern	0.227	0.205	0.237	0.413	0.352
Central	0.271	0.244	0.296	0.778	0.384
Southern	0.253	0.229	0.264	0.426	0.374
Chitipa	0.178	0.159	0.176	0.260	0.306
Karonga	0.180	0.169	0.186	0.249	0.324
Nkhatabay	0.129	0.121	0.127	0.156	0.275
Rumphi	0.180	0.170	0.201	0.339	0.320
Mzimba	0.203	0.179	0.189	0.245	0.329
Likoma	0.198	0.155	0.151	0.179	0.296
Mzuzu City	0.301	0.266	0.314	0.577	0.400
Kasungu	0.146	0.135	0.143	0.179	0.289
Nkhotakota	0.219	0.185	0.191	0.249	0.331
Ntchisi	0.151	0.138	0.143	0.170	0.292
Dowa	0.180	0.162	0.176	0.246	0.312
Salima	0.277	0.249	0.280	0.420	0.391
Lilongwe	0.206	0.193	0.220	0.331	0.345
Mchinji	0.183	0.163	0.169	0.207	0.318
Dedza	0.239	0.200	0.209	0.276	0.346
Ntcheu	0.188	0.165	0.169	0.202	0.318
Lilongwe City	0.279	0.253	0.330	0.988	0.388
Mangochi	0.200	0.178	0.193	0.265	0.329
Machinga	0.167	0.147	0.154	0.190	0.299
Zomba	0.208	0.189	0.209	0.290	0.339
Chiradzulu	0.210	0.185	0.204	0.305	0.332
Blantyre	0.258	0.237	0.283	0.507	0.379
Mwanza	0.206	0.197	0.233	0.371	0.348
Thyolo	0.155	0.140	0.146	0.180	0.292
Mulanje	0.185	0.168	0.179	0.231	0.322
Phalombe	0.183	0.174	0.212	0.375	0.321
Chikwawa	0.150	0.142	0.159	0.216	0.295
Nsanje	0.207	0.189	0.209	0.293	0.340
Balaka	0.205	0.194	0.223	0.325	0.347
Neno	0.172	0.165	0.193	0.283	0.317
Zomba City	0.311	0.252	0.257	0.334	0.390
Blantyre City	0.272	0.235	0.252	0.361	0.379

Source: Malawi Poverty Report 2020

**Table-A 5: Mean and Median Consumption per Person by Place of Residence, Region and District, Malawi 2020**

Background Characteristics	Average		Median	
	IHS4	IHS5	IHS4	IHS5
<b>Malawi</b>	<b>226,172</b>	<b>218,222</b>	<b>149,320</b>	<b>163,778</b>
Rural	167,986	185,418	134,100	151,157
Urban	473,402	395,706	261,697	296,627
Northern Region	200,630	269,893	154,205	211,506
Central Region	204,794	201,719	156,549	150,759
Southern Region	251,555	219,106	141,023	163,575
Chitipa	133,834	215,500	118,393	188,728
Karonga	169,793	231,352	141,908	191,024
Nkhatabay	175,355	285,487	139,770	251,921
Rumphi	187,258	282,220	145,781	239,045
Mzimba	196,245	237,055	164,591	196,131
Likoma	222,406	276,140	176,821	235,189
Mzuzu City	353,493	491,272	292,309	367,724
Kasungu	173,136	157,485	146,940	133,867
Nkhotakota	192,326	209,290	146,825	179,828
Ntchisi	177,626	180,638	144,318	153,326
Dowa	185,874	161,977	152,659	141,472
Salima	158,795	185,406	133,171	134,557
Lilongwe Rural	175,650	168,274	149,810	133,987
Mchinji	187,339	154,883	148,312	126,599
Dedza	166,301	173,683	124,892	142,232
Ntcheu	179,486	173,566	151,311	143,588
Lilongwe City	368,747	406,334	271,102	308,839
Mangochi	235,209	173,988	134,042	141,018
Machinga	134,103	169,759	115,929	145,925
Zomba Rural	165,756	211,528	141,136	170,233
Chiradzulu	143,908	231,906	124,404	187,551
Blantyre	202,545	241,456	173,425	178,098
Mwanza	186,710	208,466	146,151	172,135
Thyolo	153,412	198,982	123,871	167,540
Mulanje	155,750	188,657	113,507	151,433
Phalombe	112,483	173,324	94,245	146,375
Chikwawa	159,914	170,486	125,957	146,083
Nsanje	154,309	172,087	110,126	136,118
Balaka	168,752	183,361	132,531	138,360
Neno	185,567	222,941	154,209	184,123
Zomba City	421,789	446,577	286,159	322,709
Blantyre City	760,778	432,077	296,151	321,024

Source: Malawi Poverty Report 2020

**Table-A 6: Mean and Median Consumption per Person by Rural Regions and Consumption Quintiles, Malawi 2020**

Background Characteristics	Average		Median	
	IHS4	IHS5	IHS4	IHS5
Rural North	159,643	242,366	134,187	197,897
Rural Centre	171,945	166,751	143,152	137,568
Rural South	165,698	186,615	125,148	152,265
<b>Consumption Quintiles</b>				
1st (Lowest)	71,007	76,823	73,728	79,445
2nd	109,873	121,091	109,800	120,955
3rd	150,136	165,025	149,324	163,778
4th	209,716	231,286	206,329	228,286
5th (Highest)	590,440	496,998	355,175	398,789

*Source: Malawi Poverty Report 2020*

**Table-A 7: Classification of Items by COICOP and the Repetitive Modules in IHS5 Questionnaire, Malawi 2020**

COICOP code	Description	Module (M), question (Q) and label/code (L): in this sequence MQ-L
01	Food and nonalcoholic beverages	
01.1	Food	
	Cereals, tubers, nuts, vegetables, fruits, oil, sugar, and so on	G02-101 to G02-818
01.2	Nonalcoholic beverages	
	Tea; coffee; cocoa, Milo; squash; <i>thobwa</i> ; fruit juice; freezes; soft drinks; bottled water; <i>maheu</i> ; and other	G02-901 to G02-907, G02-909 to G02-G910, G02-912, G02-916
02	Alcoholic beverages and tobacco	
02.1	Alcoholic beverages	
	Bottled or canned beer, traditional beer ( <i>masese</i> ), wine or commercial liquor, locally brewed liquor ( <i>kachasu</i> ), and chibuku (commercial traditional-style beer)	G02-G908, G02-G911, G02-G913 to G02- G915
02.2	Tobacco	
	Cigarettes or other tobacco	I02-103
03	Clothing and footwear	
03.1	Clothing	
	Infant clothing	J02-301
	Baby nappies/diapers	J02-302
	Boy's trousers	J02-303
	Boy's shirts	J02-304
	Boy's jackets	J02-305
	Boy's undergarments	J02-306
	Boy's other clothing	J02-307
	Men's trousers	J02-308
	Men's shirts	J02-309
	Men's jackets	J02-310
	Men's undergarments	J02-311
	Men's other clothing	J02-312
	Girl's blouse/shirt	J02-313

		Module (M), question
COICOP code	Description	(Q) and label/code  (L): in this sequence MQ-L
	Girl's dress/skirt	J02-314
	Girl's undergarments	J02-315
	Girl's other clothing	J02-316
	Lady's blouse/shirt	J02-317
	<i>Chitenje</i> cloth	J02-318
	Lady's dress/skirt	J02-319
	Lady's undergarments	J02-320
	Lady's other clothing	J02-321
	Cloth, thread, other sewing material	J02-326
	Laundry, dry cleaning, tailoring fees	J02-327
03.2	Footwear	
	Boy's shoes	J02-322
	Men's shoes	J02-323
	Girl's shoes	J02-324
	Lady's shoes	J02-325
04	Housing, water, electricity, gas and other fuels	
04.1	Actual rents for housing	
	Actual rent payment	F04
04.2	Imputed rents for housing	
	Estimated the rent for non-renters	F03
04.4	Water supply	
	Water for cooking, bathing, and so on	F37
04.5	Electricity, gas and other fuels	
	Value of the firewood used in the past week	F18
	Electricity	F25
	Charcoal	I02-101
	Paraffin or kerosene	I02-102
	Candles	I02-104
	Matches	I02-105
	Light bulbs	I02-209
	Solar panel	L02-531
	Generator	L02-532
05	Furnishings, household equipment, and routine home maintenance	
05.1	Furniture, furnishings, carpets, and other floor coverings	
	House decorations	J02-338
	Carpet, rugs, drapes, curtains	K02-401
	Mat - sleeping or for drying maize flour	K02-403
	Mosquito net	K02-404

COICOP code	Description	(Q) and label/code (L): in this sequence MQ-L
	Mattress	K02-405
	Bed	L02-502
	Table	L02-503
	Chair	L02-504
05.2	Household textiles	
	Linen - towels, sheets, blankets	K02-402
05.3	Household appliances	
	Repairs to household and personal items (radios, watches, and so on)	I02-218
	Fan	L02-505
	Air conditioner	L02-506
	Sewing machine	L02-511
	Kerosene/paraffin stove	L02-512
	Electric or gas stove; hot plate	L02-513
	Refrigerator	L02-514
	Washing machine	L02-515
05.4	Glassware, tableware, and household utensils	
	Bowls, glassware, plates, silverware, and so on	J02-328
	Cooking utensils (pots, stirring spoons, whisks, and so on)	J02-329
05.5	Tools and equipment for home	
	Batteries	I02-220
	Recharging batteries of cell phones	I02-221
	Torch/flashlight	J02-331
	Paraffin lamp (hurricane or pressure)	J02-333
	Mortar/pestle ( <i>mtondo</i> )	L02-501
05.6	Goods and services for routine home maintenance	
	Milling fees, grain	I02-201
	Wages paid to servants	I02-215
	Cleaning utensils (brooms, brushes, and so on)	J02-330
06	Health	
06.1	Medical products, appliances, and equipment	
	Expenditure for nonprescription medicines (Panadol, Fansidar, cough syrup, and so on)	D12
06.2	Out-patient services	
	Expenditures for illnesses and injuries (medicine, tests, consultation, and in-patient fees)	D10
	Expenditure not related to an illness (preventative health care, pre-natal visits, check-ups)	D11
	Stay(s) at the traditional healer or faith healer	D19
	Stay(s) at the traditional healer or faith healer, transport costs	D20

<b>COICOP code</b>	<b>Description</b>	<b>(Q) and label/code (L): in this sequence MQ-L</b>
	Stay(s) at the traditional healer or faith healer, food costs	D21
06.3	Hospital services	
	Hospitalization(s) or overnight stay(s) in a medical facility	D14
	Hospitalization(s) or overnight stay(s) in a medical facility, transport costs	D15
	Hospitalization(s) or overnight stay(s) in a medical facility, food costs	D16
07	Transport	
07.1	Purchase of vehicles	
	Bicycle	L02-516
	Motorcycle/scooter	L02-517
	Car	L02-518
07.2	Operation of vehicles	
	Petrol or diesel	I02-212
	Motor vehicle service, repair, or parts	I02-213
	Bicycle service, repair, or parts	I02-214
07.3	Transport services	
	Public transport - bicycle, taxi	I02-107
	Public transport - bus, minibus	I02-108
	Public transport - other	I02-109
08	Communication	
08.1	Postal services	
	Postage stamps or other postal fees	I02-210
08.3	Telephone and fax services	
	Cell phone	F35
09	Recreation and culture	
09.1	Audio-visual, photographic and information processing equipment	
	Music or video cassette or CD	J02-336
	Film, film processing, camera	K02-407
	Radio (wireless)	L02-507
	Tape or CD player; HiFi	L02-508
	Television	L02-509
	VCR	L02-510
	Computer equipment and accessories	L02-529
	Satellite dish	L02-530
09.2	Durables for recreation and culture, including repairs	
	Sports and hobby equipment, musical instruments, toys	K02-406
09.3	Other recreational items and equipment, gardens and pets	

COICOP code	Description	(Q) and label/code (L): in this sequence MQ-L
	Expenditures on pets	I02-219
09.4	Recreational and cultural services	
	Tickets for sports / entertainment events	J02-337
09.5	Newspapers, books, stationery	
	Newspapers or magazines	I02-106
	Stationery items (not for school)	J02-334
	Books (not for school)	J02-335
10	Education	
10.1	Education, all levels	
	Tuition, including any extra tuition fees	C22A
	After school programs and tutoring	C22B
	School books and stationery	C22C
	School uniform and clothing	C22D
	Boarding school fees	C22E
	Contributions for school building or maintenance	C22F
	Transport	C22G
	Parent association and other school related fees	C22H
	Other school expenses	C22I
11	Restaurants and hotels	
11.1	Vendors, cafes, restaurants	
	Vendor consumption: maize (boiled or roasted), chips, cassava, eggs, chicken, meat, fish, <i>mandazi</i> , samosa, meals eaten at restaurants, other	G820-G830
11.2	Accommodation services	
	Night's lodging in rest house or hotel	J02-339
12	Miscellaneous goods and services	
12.1	Personal care	
	Bar soap (body soap or clothes soap)	I02-202
	Clothes soap (powder)	I02-203
	Toothpaste, toothbrush	I02-204
	Toilet paper	I02-205
	Glycerine, Vaseline, skin creams	I02-206
	Other personal products (shampoo, razor blades, cosmetics, hair products, and so on)	I02-207
12.3	Personal effects	
	Umbrella	J02-332

## **Appendix B**

### **Authors**

Bright Mvula	Chief Statistician Economics
Twikaleghe Mwalwanda	Statistician Economics
Imran Chiosa	Statistician Economics
Samuel Chipokosa	Statistician Economics

### **Reviewers**

Mercy Kanyuka	Commissioner of Statistics
Lizzie Chikoti	Director of Agriculture and Economic Statistics

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