

The Second Malawi National Multidimensional Poverty Index Nov 2022

**National
MPI**

Since 2021

0.337



0.316

**Regional
MPI**

Highest & Lowest

0.332

Southern Region

vs

0.232

Northern Region

**District
MPI**

Highest & Lowest

0.445

Machinga

vs

0.083

Mzuzu

The Government of Malawi has adopted the Malawi National Multidimensional Poverty Index (M-MPI) as an official measure of multidimensional poverty, in addition to existing monetary measures. The M-MPI aims at identifying key concurrent disadvantages that affect multidimensionally poor people, providing critical information. This will help in tracking progress toward Malawi 2063 and the Sustainable Development Goals (SDGs).

The M-MPI is calculated using data from the Integrated Household Survey (IHS). The 2019/2020 IHS5 data is used in the second official release of the Index. The M-MPI report provides a detailed analysis by region, district, place of residence, sex of household head, and age group, identifying the poorest groups and specific areas of deprivation to ensure effective prioritisation and inclusion of all disadvantaged people. This underpins the pledge in the Preamble to the SDGs that “no one will be left behind” and the desire expressed in the Malawi 2063 to “not leave behind those segments of the society that are vulnerable and marginalised”.

The M-MPI has four dimensions: i) Health and Population, ii) Education, iii) Environment, and iv) Work, and thirteen indicators as shown in Figure 1. All dimensions, as well as the indicators within them, have been assigned equal weight.

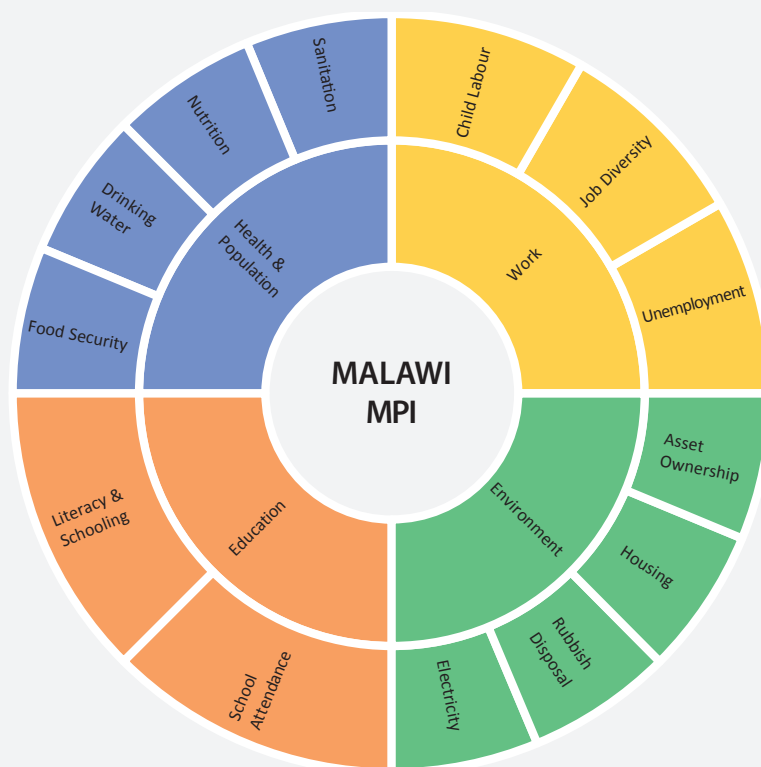


OPHI

Oxford Poverty & Human
Development Initiative



Figure 1: Dimensions and Indicators of Malawi MPI



NSO, Malawi Multidimensional Index Report, 2019-2020

The M-MPI dimensions and indicators reflect national priorities as outlined in Malawi 2063. A person is identified as multidimensionally poor if they face a number of weighted deprivations equal to or greater than 38 percent, which equates to deprivation in at least one and a half dimensions at the same time.

SELECTED RESULTS

According to the M-MPI, approximately six out of ten (58.8 percent) Malawians live in multidimensional poverty - this is the country's incidence of multidimensional poverty. The intensity of multidimensional poverty is measured by a multidimensionally poor person experiencing simultaneous deprivation in 53.9 percent of the weighted indicators considered in the M-MPI. The M-MPI is 0.316 when the incidence and intensity of multidimensional poverty are combined. The M-MPI, as an index, can range from 0 when no one is deprived in

any indicator to 1 when everyone is deprived in all indicators.

In comparison to the first MPI report from 2021, which found 61.7 percent of Malawians living in multidimensional poverty, current results indicate a declining trend. Nonetheless, there was no statistically significant difference between these results. As a result, no conclusion can be drawn about whether the level of Multidimensional Poverty has changed. The national deprivations that contribute the most to this level of poverty are related to literacy and schooling (14.7 percent), access to electricity (11.5 percent), job diversity (10.2 percent), and asset ownership (10.8 percent), as summarised in Table 1.

A closer examination of the M-MPI values for each district reveals significant within-country inequalities. The district-level M-MPI ranges from 0.445 in Machinga to 0.083 in Mzuzu City as shown in Figure 2.

Table 1: Contribution of the Indicators to Multidimensional Poverty

| Dimension | Indicator | Contribution (%) |
|-----------------------|------------------------|------------------|
| Health and Population | Sanitation | 7.4 |
| | Nutrition | 3.4 |
| | Drinking Water | 4.1 |
| | Food Security | 7.8 |
| Education | Literacy and schooling | 14.7 |
| | School attendance | 5.3 |
| Environment | Electricity | 11.5 |
| | Rubbish disposal | 5.5 |
| | Housing | 8.0 |
| | Asset ownership | 10.8 |
| Work | Unemployment | 1.4 |
| | Job diversity | 10.2 |
| | Child Labour | 10.0 |

NSO, Malawi Multidimensional Index Report, 2019-2020

According to the findings of the second M-MPI report, 58.8 percent of Malawi’s population is classified as multidimensionally poor. This result indicates that more than half of Malawians were generally poor across all 13 poverty indicators examined, including literacy and schooling, electricity, nutrition, unemployment, housing, and food security. The findings imply that diagnosing these deprivations necessitates integrated policy and programmatic frameworks that address these frequently occurring deprivation bundles.

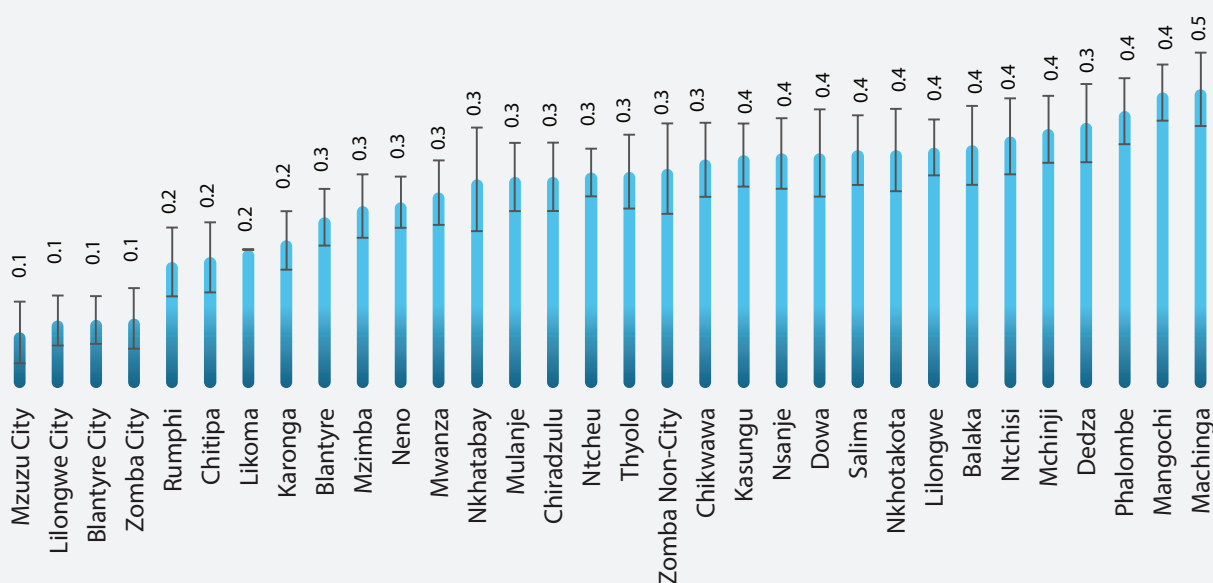
The findings also suggest that our efforts to create wealth require inter-agency, system-wide, and integrated policy frameworks to address the multifaceted dimensions of poverty. In terms of programming, the findings point to the need for a portfolio approach to development initiative programming if the country is to make meaningful progress in addressing deprivation across all forms and dimensions of poverty. To achieve this level of programming, the inter-ministerial and inter-agency policy coordination structure must be strengthened, resulting in integrated and proactive policies based on sound and credible evidence.

From the report, the poverty intensity in the country was estimated at 53.9 percent,

implying that a poor individual in Malawi was deprived in at least 54 percent of the weighted indicators on average. This result shows that nearly 7 of the 13 indicators used in the analysis were deprived by more than half of Malawians who were classified as multidimensionally poor, emphasising the depth of poverty in the population. This has policy implications in that redistributive policy interventions, such as Social Protection programmes. These aim to reduce the incidence and intensity of multidimensional poverty and should be scaled up. These policies have the potential to legitimise the allocation of resources to groups of people for critical services such as medical aid, housing assistance, and food assistance, among others.

Literacy and schooling were the highest contributors to the multidimensional poverty index, according to this report. Given that one of the enablers for MIP-1 is Human Capital Development, strategic interventions to improve the quality and levels of education for the population are critical to the country’s inclusive wealth creation and self-reliance efforts. As a result, policies aimed at ensuring universal access to quality education must be promoted and scaled up more aggressively, as they are critical in addressing all forms of poverty.

Figure 2: M-MPI by District



Policy Implications and the Way Forward

According to the report, electricity was the second largest contributor to multidimensional poverty. As a result, Malawi should prioritise investments in energy generation and supply, which is one of the key areas under the MIP-1 enabler “Economic infrastructure” and critical to national productivity.

In Malawi, the incidence of multidimensional poverty was higher in female-headed households than in male-headed households, with 71.4 percent and 53.9 percent, respectively. This finding suggests that policy initiatives addressing poverty in female-headed households should be expanded. Furthermore, the findings imply that policies and programmes aimed at improving education for people living in female-headed households should be prioritised and promoted. Across age groups, households with children aged 0-9 years were the most likely to be classified as multidimensionally poor, with a headcount ratio of 63.5 percent and an intensity of 54.7 percent. This finding suggests that wealth creation and poverty reduction policies and programmes

should prioritise households with children aged 0 to 9 years. According to the findings by place of residence, the incidence of multidimensional poverty was higher in rural areas (65.7 percent) than in urban areas (20.0 percent). Similarly, the intensity in rural areas was 54.1 percent and 49.2 percent in urban areas. According to these findings, more people in rural areas are multidimensionally poor than in urban areas. As a result, efforts to address rural-urban poverty disparities should be prioritised alongside the promotion of wealth creation initiatives.

Moving forward, future programming to reduce multiple deprivations must be guided by both the Multidimensional Poverty Index and the Monetary Poverty Measure. Malawi should advocate for the Multidimensional Poverty Measure to be included as one of the strategic and approved national indicators used to guide policy analysis and programming. Furthermore, the Multidimensional Poverty Index will need to be updated on a regular basis using the most recent data from the National Statistical Office’s newly published Integrated Household Surveys.