



# **MULTIDIMENSIONAL POVERTY PEER NETWORK**

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# Introduction

- Malawi Multidimensional Poverty Index reports are generated using socioeconomic data from Integrated Household Surveys that have been conducted by the National Statistical Office (NSO) since the late 1990s (1997/98-IHS1, 2004/05-IHS2, 2010/11-IHS3, 2016/17-IHS4, 2019/20-IHS5, 2024/25-IHS6).
- Malawi with the help of Oxford Poverty and Human Development Initiative (OPHI) produced its first multidimensional poverty report in 2020/21 using data from the Fourth Integrated Household Survey which was conducted from April 2016 to March 2017 and the second multidimensional report (based on 2019/2020 data) was produced in 2022.

## Introduction contd...

- The Multidimensional Poverty Index (MPI) is a measure of poverty developed by the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford and supported by the United Nations Development Program (UNDP).
- The index assesses the simultaneous deprivations experienced by people in a society, based on several identified dimensions of poverty in a particular setting.
- This multidimensional poverty measure is generally used alongside monetary poverty measure to gauge the state of poverty in a society.
- Monetary poverty assesses income or consumption-expenditure poverty, according to pre-defined national poverty lines while the multidimensional poverty measure assesses key non-monetary dimensions of poverty existing in a community.

# Methodology

## Alkire-Foster Method

**The method uses three key statistics to measure poverty levels and these are:**

- **Incidence or headcount ratio (H)**-the proportion of the population who are multidimensionally poor.
- **Intensity (A)**-the share of indicators multidimensionally poor people are deprived in on average.
- **MPI or adjusted headcount ratio** (the multidimensional poverty index), which is the product of incidence and intensity ( $MPI = H \times A$ ).

# Methodology cont...

## Why Alkire-Foster Method?

While the AF method provides a single headline measure of poverty, it can also be broken down and analysed in powerful ways to inform policy.

- **Decomposition by population group:** It can be broken down by geographic area, ethnicity, or other sub-groups of a population, to show the composition of poverty within and among these groups.
- **Breakdown by dimension or indicator:** It can be broken down to show which types of deprivation are contributing to poverty within groups.
- **Changes over time:** The AF method can be used to monitor changes in poverty over time, using data collected at different periods. It reflects changes in particular dimensions and indicators of poverty directly and quickly, making it an effective monitoring tool.
- **Complements other metrics:** The AF method can complement other measures, such as measures of income poverty.

# Questionnaires for Integrated Household Surveys (IHS4,5 And 6)

<b>Questionnaire</b>	<b>Details (Modules)</b>
<b>Household</b>	Demographics, Education, Health, Labour and Time use, Housing, Food and non-food consumption, Food security and Subjective welfare, Asset ownership, Enterprises, Loans, Anthropometry, Shocks, Deaths.
<b>Agriculture</b>	Rainy/Dry Season crops, Livestock, Production and sales, Garden and Plot details, Seeds, Labour and non labour inputs.
<b>Fisheries</b>	Labour and non-labour input use in fishing and fishing trading activities.
<b>Community</b>	Infrastructure, access to public services, economic activities, resource management and governance.

# Multi-dimensional Measurement Design

## Dimensions, Indicators and Weights

Four Dimensions (Same Weight), Thirteen Indicators (Same Weights in each Indicator).

	Dimension	Indicator
MPI	Health and Population (1/4)	Sanitation (1/16)
		Nutrition (1/16)
		Drinking Water (1/16)
		Food Security (1/16)
	Education (1/4)	Literacy and schooling (1/8)
		School attendance (1/8)
	Environment (1/4)	Electricity (1/16)
		Rubbish disposal (1/16)
		Housing (1/16)
		Asset ownership (1/16)
	Work (1/4)	Unemployment (1/12)
		Job diversity (1/12)
		Child Labour (1/12)

# Multidimensional measurement Design cont...

Indicator	Deprivation Cut-offs
Literacy and Schooling	A household is deprived if all members aged 15+ have less than 8 years of schooling OR cannot read or write English or Chichewa
School Attendance	A household is deprived if at least one child aged 6-14 is not attending school
Nutrition	A household is deprived if there is at least one child under 5 who is either underweight, stunted or wasted
Food Security	A household is deprived if in the past 12 months, they were hungry but did not eat AND went without eating for a whole day because there was not enough money or other resources for food
Housing	<p>A household is deprived if at least two of the following dwelling structural components is of poor quality:</p> <ul style="list-style-type: none"> <li>- Walls (grass, mud, compacted earth, unfired mud bricks, wood, iron sheets or other materials)</li> <li>- Roof (grass, plastic sheeting or other materials)</li> <li>- Floor (sand, smoothed mud, wood or other materials)</li> </ul>
Electricity	A household is deprived if they do not have access to electricity



# Measurement Design Cont...

Indicator	Deprivation Cut-off
Asset Ownership	A household is deprived if they do not own more than two of the following basic livelihood items: radio, TV, telephone, computer, animal cart, bicycle, motorbike or refrigerator AND do not own a car or truck
Drinking Water	A household is deprived if their main source of water is unimproved OR it takes 30 minutes or more (round trip) to collect it
Sanitation	A household is deprived if the sanitation facility is not flush or a VIP latrine or a latrine without roof OR if it is shared with other households
Rubbish disposal	A household is deprived if rubbish is disposed of on a public heap, is burnt, disposed of by other means or there is no disposal
Unemployment	A household is deprived if at least one member aged 18-64 has not been working but has been looking for a job during the past four weeks
Job Diversity	A household is deprived if all working members are only engaged in farm activities, household livestock activities or ganyu/casual part-time work
Child Labour	A household is deprived if any child aged 5-17 is engaged in any economic activities in or outside of the household

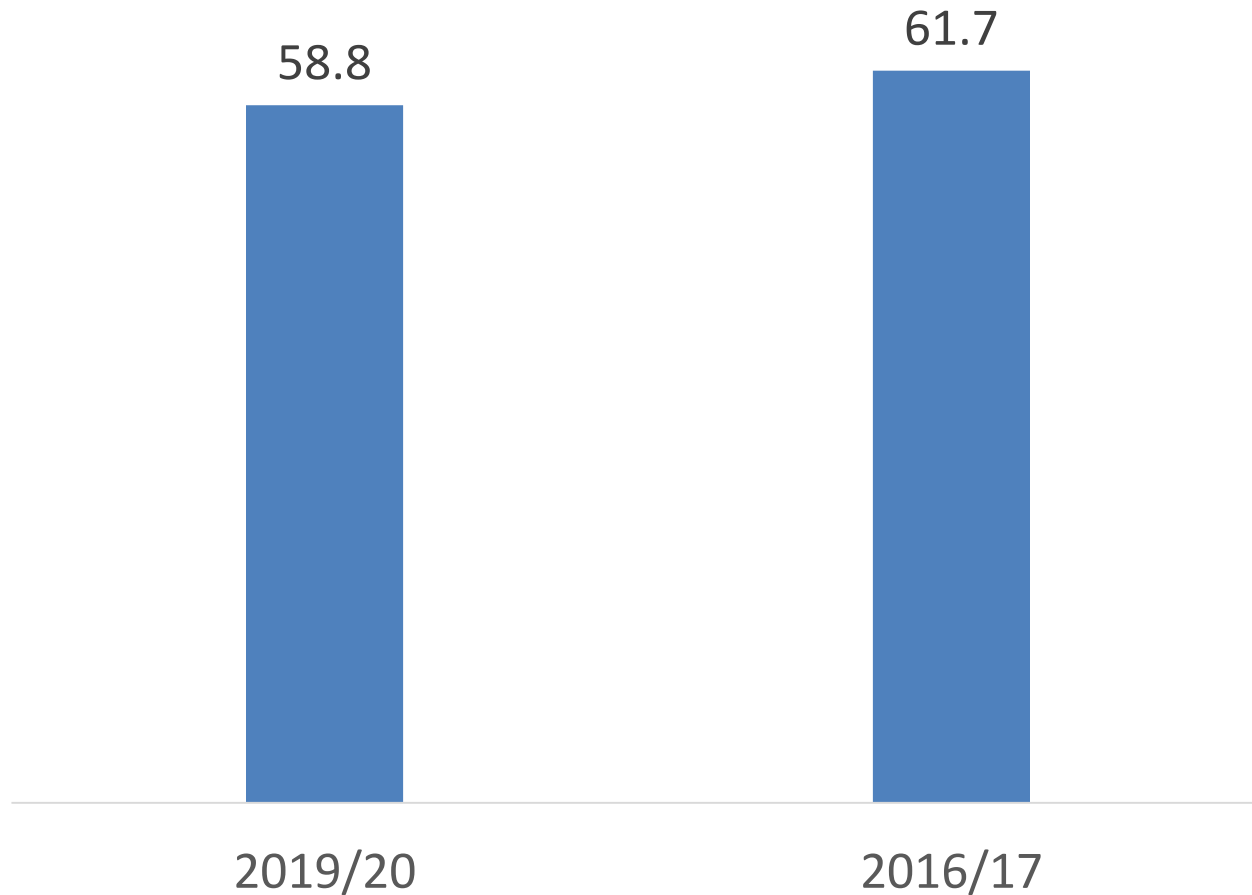
# **SELECTED RESULTS/FINDINGS**

The background of the slide is a dark, almost black, field filled with numerous out-of-focus light spots. These spots are primarily in two colors: a vibrant, saturated red and a bright, cool blue. The lights vary in size and intensity, creating a bokeh effect. Some lights are sharp and bright, while others are more diffused and dim. The overall composition is abstract and modern, with the lights scattered across the frame, some appearing as streaks or elongated shapes.

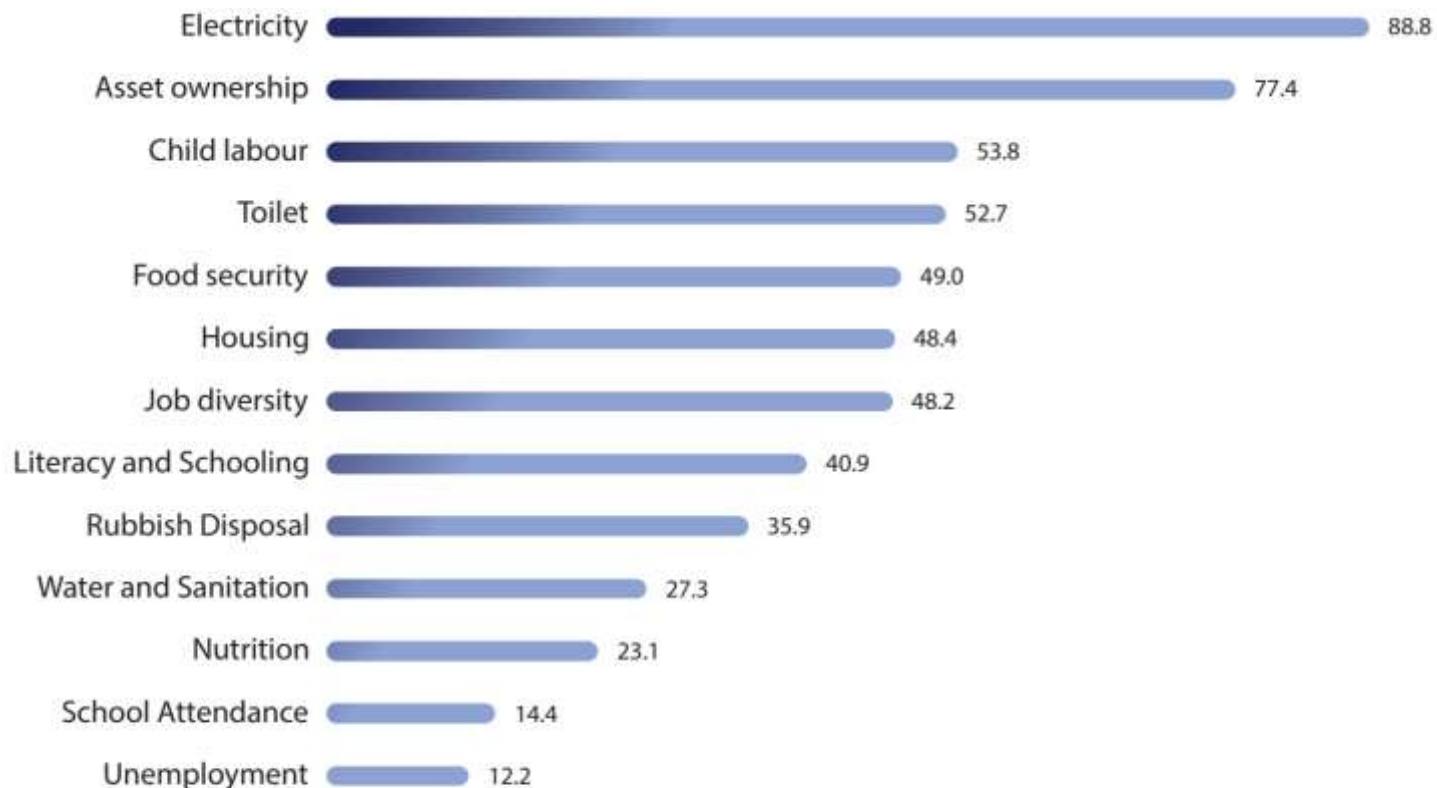
# **The Second Malawi Multidimensional Poverty Index Report**

November 2022

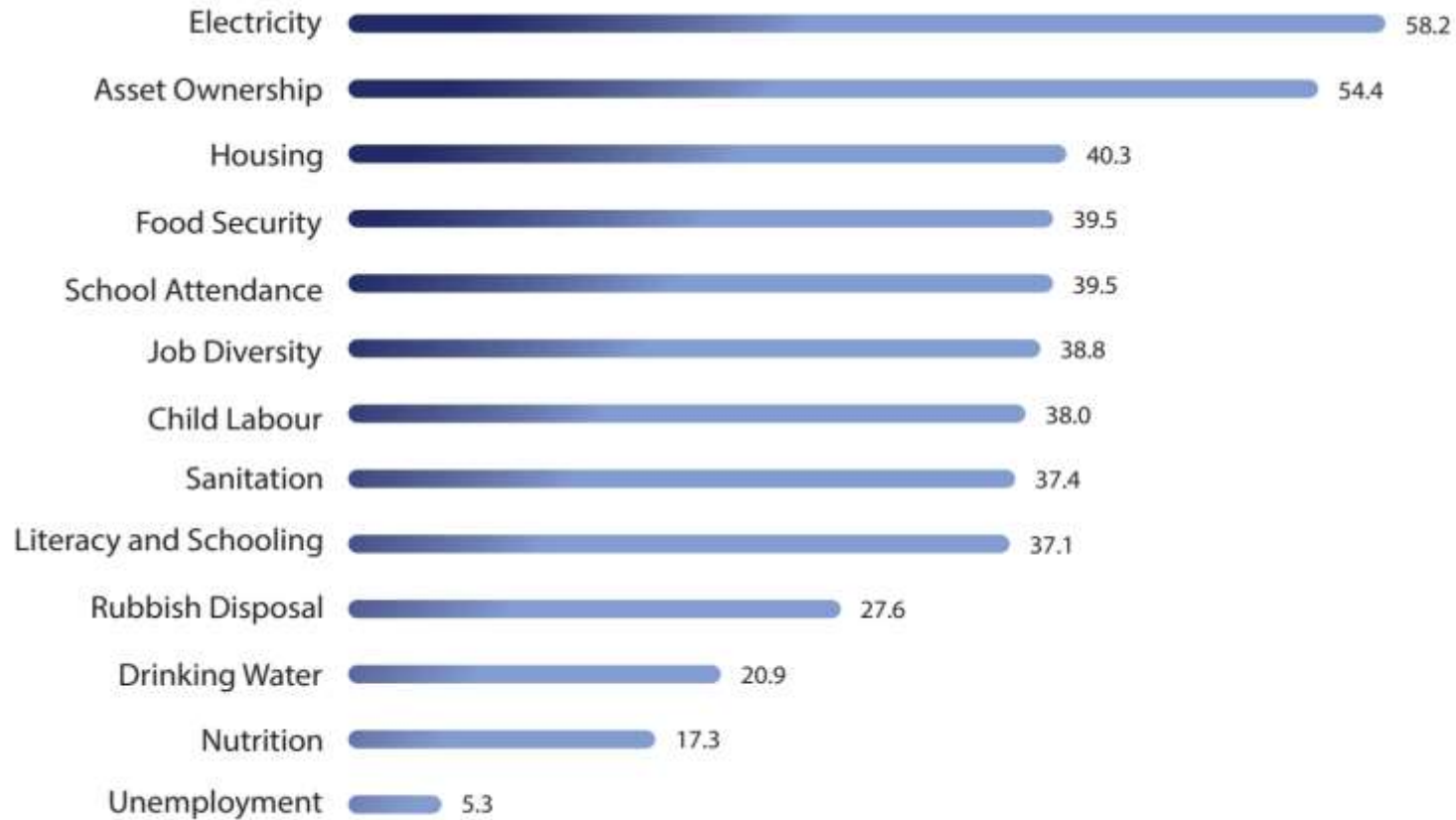
# Proportion of Poor Population (Poverty Head Count Ratio), Malawi 2020 *(Multi-dimensional)*



## National Uncensored Headcount Ratio, 2019/2020

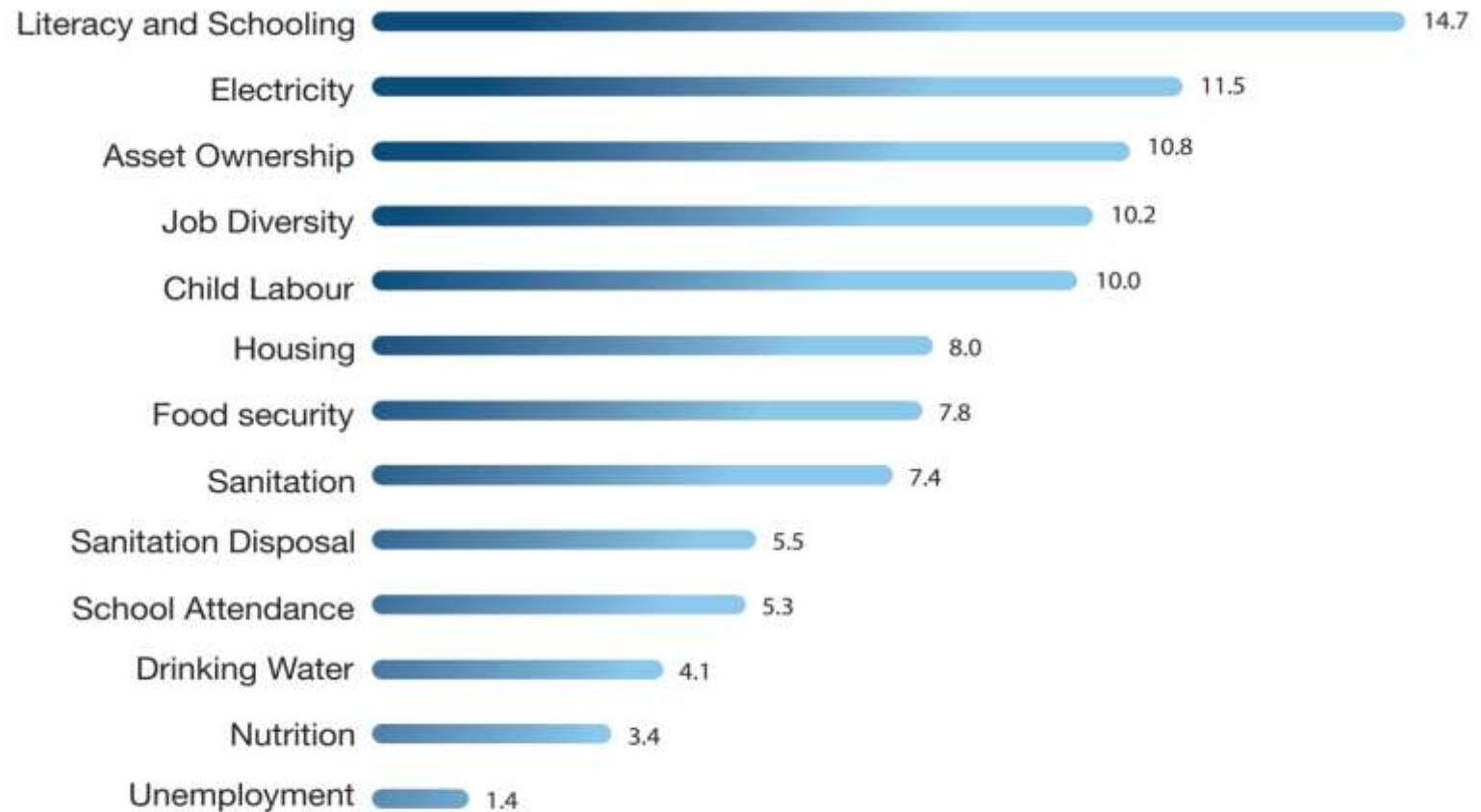


# National Censored Headcount Ratio, 2019/2020

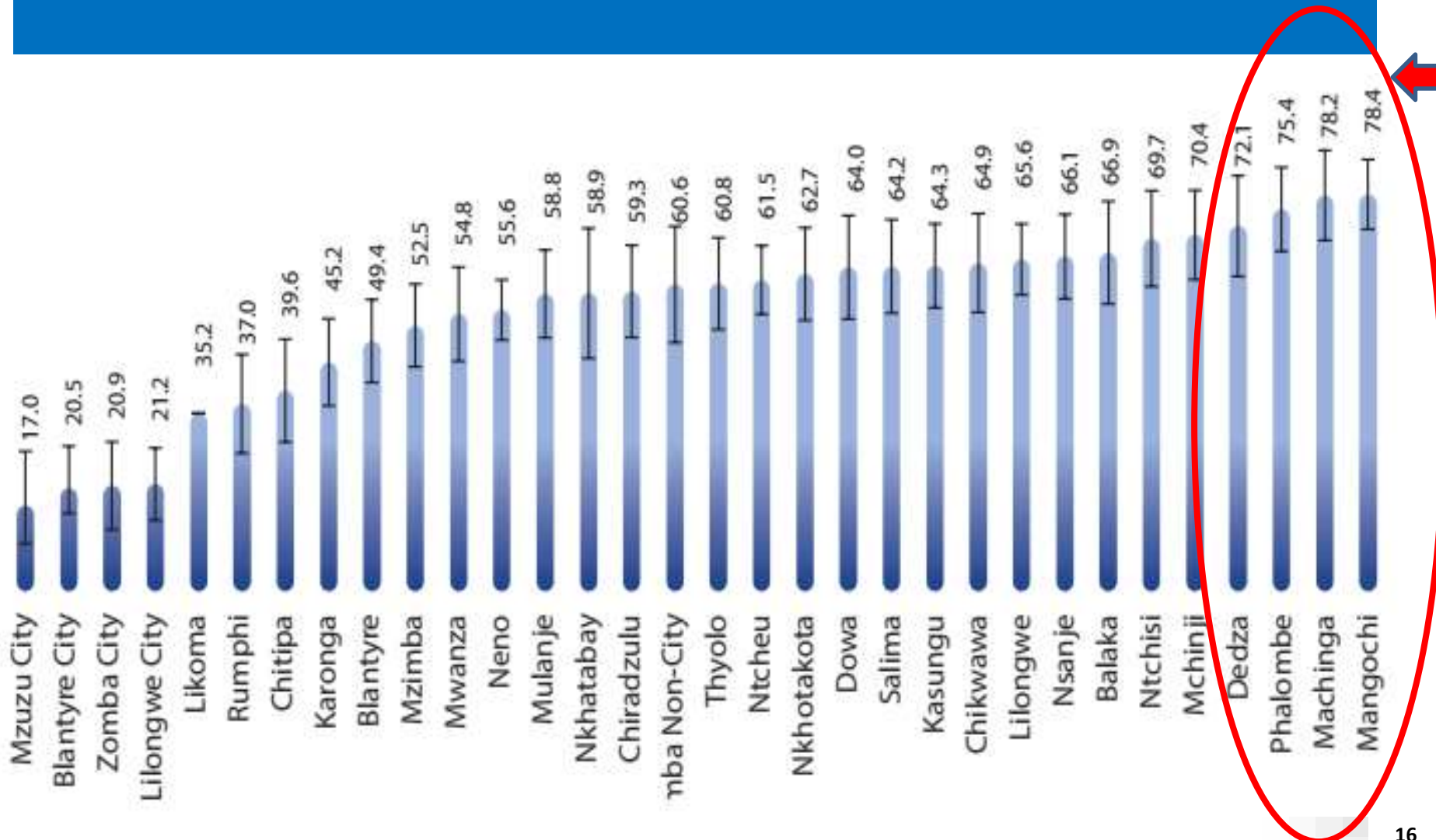


*NSO, Malawi Multidimensional Poverty Index Report, 2019-2020*

# Percentage Contribution of Each Indicator to the National MPI, 2019/2020

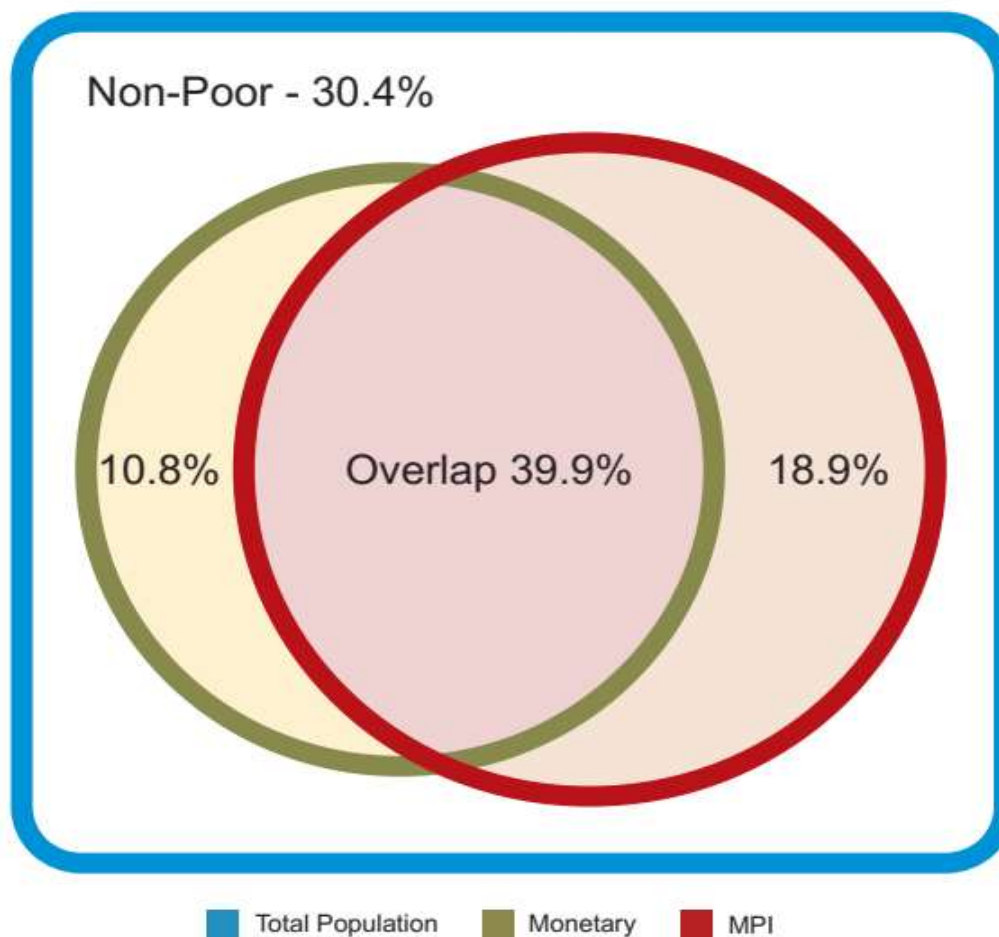


# Poverty Incidence (Headcount Ratio) at District Level, 2019/2020





# Overlap of Multidimensional and Monetary Poverty at National Level, 2019/2020



## Conclusion and Policy recommendations

- 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.
- There is need to have interministerial and inter-agency policy coordination structure strengthened, resulting in integrated and proactive policies based on sound and credible evidence.

## Conclusion and Policy recommendations

- 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 was the highest contributor 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.

## Conclusion and Policy recommendations

- 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 Malawi First Year Implementation Plan (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.

## Conclusion and Policy recommendations

- 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.
- Meanwhile, the National Statistical Office, National Planning Commission, Ministry of Finance and Economic Affairs have engaged with the Ministry of Local Government to include MPI indicators in their strategic plans. The National Statistical Office through Ministry of Local Government shared MPI results with the City and District Councils. These indicators will be monitored using Integrated household surveys. Data collection for the Sixth Integrated is in progress.

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**THANK YOU ALL FOR YOUR ATTENTION**