



A Dangerous Divide

The State of Inequality in Malawi

**EVEN
IT UP**



OXFAM

Front cover pictures:

Left: Kakunde under five clinic. The public clinic is 15 km away from Nthalire Health Centre and helps surrounding villages access much-needed children's health services. Roads to this health facility are impassable in rainy season. Photo: Daud Kayisi/Oxfam

Right: Mwaiwathu Private Hospital in Blantyre offers high quality healthcare. The majority of poor Malawians cannot afford the services offered here due to the fees charged. Photo: Mwaiwathu website.

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The State of Inequality in Malawi

About the study

This study was premised on the understanding that inequality is multifaceted; it can manifest itself in many forms including income/consumption, wealth, health and education, as well as political, cultural, gender, geographic and environmental. Consequently, the study looked at inequalities across a range of dimensions including consumption, education, health and wealth. The study analyses the changes in various types of inequality between 2004/5 and 2010/11 using results of two nationally representative household surveys. Levels and trends in political inequality in Malawi were also studied.

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Introduction

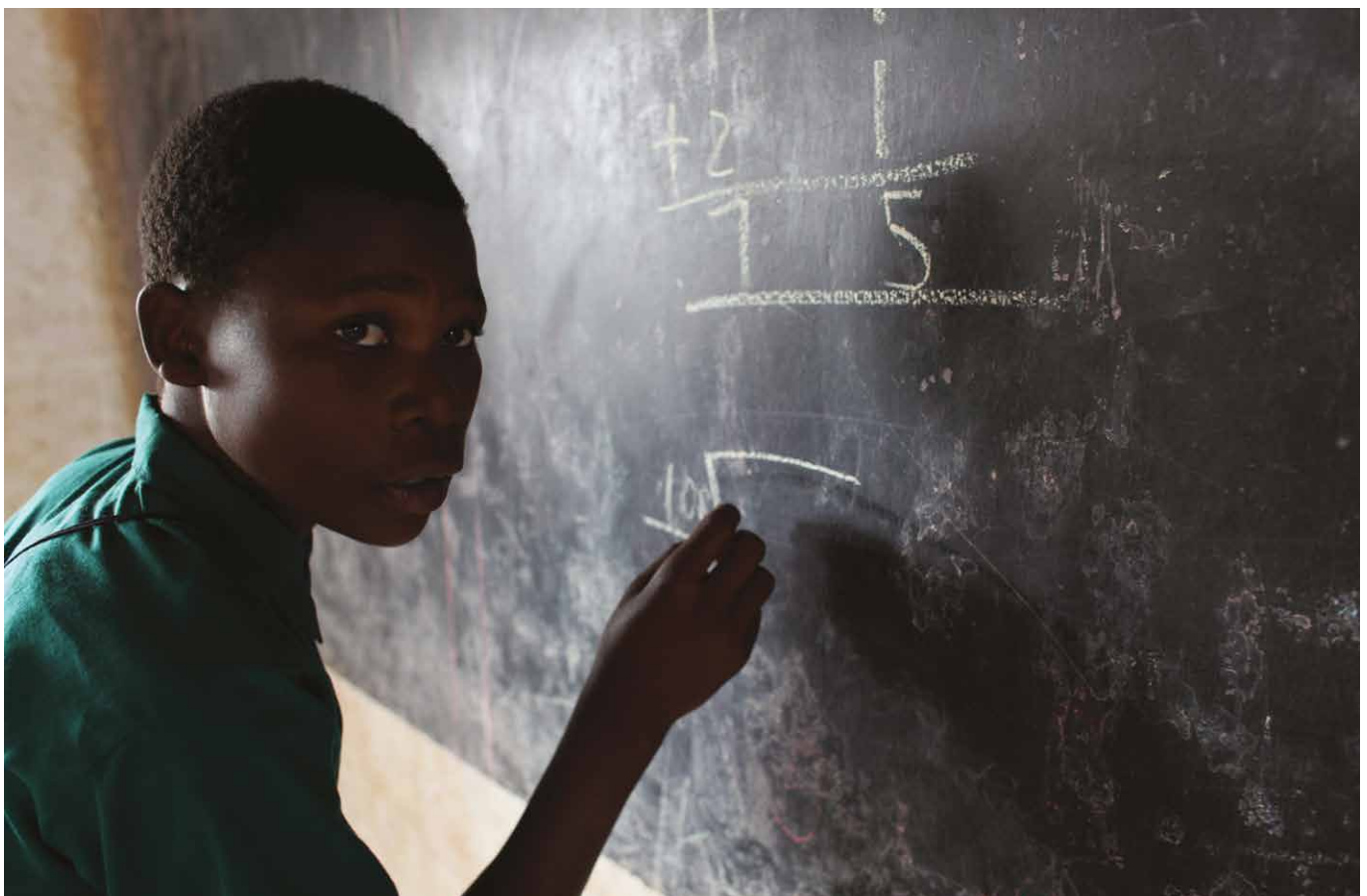
Oxfam in Malawi's Country Director, John Makina

Economic inequality has worsened significantly in Malawi in recent years. In 2004, the richest 10 percent of Malawians consumed 22 times more than the poorest 10 percent. By 2011 this had risen to see the richest 10 percent spending 34 times more than the poorest. Yet even this shocking statistic is likely to be a significant underestimate¹. Anyone who has seen the many large mansions springing up on the edges of Lilongwe and Blantyre, and the plethora of new shopping malls being opened, knows that conspicuous consumption amongst the richest is dramatically growing. Malawi's Gini coefficient, the key measure of inequality, also shows the extent to which robust economic growth is benefiting the rich whilst leaving the poor behind. In seven years of impressive growth, the Gini has leapt up from 0.39, on a par with Cameroon, to 0.45, on a par with the Democratic Republic of Congo².

This study modelled the link between inequality, growth and poverty in Malawi over the next five years. In 2015, 8 million people – 50 percent of the country's population – live in poverty. Yet if inequality continues to rise as it has in recent years, by 2020 1.5 million more Malawians will be poor³. Even if inequality stays broadly at the level it is now, there will still be 400,000 additional people living in poverty in Malawi by 2020⁴. Unless Malawi acts now to reduce inequality, even rapid economic growth will fail to reduce poverty in the country.



Education is a key way to break the generational cycle of inequality: A pupil at standard 6 Bvumbwe Primary School.
Photo: Abbie Trayler-Smith/Oxfam



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Education is a key way to break the generational cycle of inequality. Since 1994, primary education has been free in Malawi, and there has also been a big increase in the provision of community day secondary education. Yet this study shows that regardless of gender or location, education qualifications are unfairly distributed in favour of the better-off. However, that bias towards the rich is less at Malawi School Certificate of Education (MSCE) level and less again at Primary School Leaving Certificate of Education (PSLCE) level. Action by the government here has clearly borne fruit in the education sector. Yet with increased fees for secondary schools - and if rumours of re-introducing fees in primary schools come to fruition - this situation could rapidly deteriorate further, undoing past hard-won progress. The private sector remains almost entirely utilised by the better-off - with children from the richest families (94.6 percent in 2004/5 and 89.3 percent in 2010/11) dominating private primary schools.

Health inequalities are huge in Malawi, where the richest are able to access high-quality private clinics that are out of reach for the poor. Primary health facilities in Malawi are free at the point of use, meaning they are not as regressive as in many African countries where fees are charged⁵. However, persistent shortages of medicines and staff mean these facilities often provide a very poor quality service, despite the best efforts of their few heroic health workers. Moreover, the government intends to scale up paying services in four major public tertiary hospitals, namely Queen Elizabeth, Kamuzu, Zomba and Mzuzu Central Hospitals. Given the huge barrier to use that even the smallest user fees represent to the poorest, and particularly women, any move by the government to scale up fees within the public healthcare system is likely to have a damaging effect on people in poverty, and increase inequality.

Christian Health Association of Malawi (CHAM) hospitals provide nearly 40 percent of available healthcare in Malawi, and vary hugely in quality⁶. They are often based in very rural areas but charge user fees, meaning that the poorest are excluded from accessing healthcare and often choose to travel much greater distances to free, public facilities. Studies have shown that men are more likely to use CHAM facilities, whilst women will use public facilities⁷.

Given the fact that vital public services such as health and education are predominantly used by the poorest, recent cuts to government budgets and significant shortages of vital supplies are very likely to have a disproportionate and regressive impact.

This study further finds that political power is unequally distributed. It is concentrated in one region and, within parties, it is concentrated in founder families and cliques. Progress towards gender equality in exercising political power has also regressed. Malawi is signatory to a number of international protocols and has a fairly progressive legal framework on gender equality. Yet in spite of the law, international commitments and 50-50 campaign to strengthen women's political participation, in the 2014 elections the number and proportion of women in parliament declined from 43 to 32, representing a fall of a quarter.

Corruption both directly and indirectly drives inequality. Petty corruption can see Malawians have to pay bribes and illegal fees to access services. Access to justice, which should be a human right available to all Malawians, can instead be for sale to those with money, directly leading to inequality and fuelling further corruption. Grand corruption, where the Malawian

state is defrauded of hundreds of millions of kwacha, also drives inequality: firstly because it makes a handful of individuals very rich, and secondly because the money stolen is money that should be spent on public services such as health and education serving the majority of Malawians. This dynamic is further compounded when donors suspend their aid to government because of corruption scandals, necessitating further draconian cutbacks in essential services, which hurt the poorest and increase inequality even further. Finally, some of this stolen wealth is then hidden from view in overseas bank accounts, as the recent leaks from HSBC have shown. Oxfam calculated that the lost tax revenue from the money revealed to be held by Malawians in HSBC accounts in Geneva could pay the salaries of 800 nurses for one year⁸.

Bwalia 'Bottom' Hospital in Lilongwe, Malawi. Patients wait for treatment in the pre-labour ward in crowded conditions.
Photo: Abbie Trayler-Smith/Oxfam



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Malawi's Vision 2020⁹ states: "Malawians aspire to have a fair and equitable distribution of income and wealth. To this effect, they endeavour to reduce disparities in access to land, education, employment and business opportunities between urban and rural people, men and women, people with and without disabilities".

Yet with just five years left to fulfill that vision, it is clear these noble aspirations will not be attained without a dramatic change of direction for the country. Inequality in Malawi is growing, and its impacts are not only taking a devastating toll on the poorest people, preventing millions from escaping poverty. Inequality also threatens the country's overall economic growth, fuels corruption and could even jeopardise its stability. Findings from this study provide a sobering reminder and must be a wake-up call for all Malawians. The state of inequalities across a range of dimensions in Malawi, including consumption, education, health, and wealth, clearly represent a dangerous divide.

CASE STUDY ELIZABETH MICHAEL

"I am HIV positive but my child wouldn't have contracted the virus from me had it been we had a hospital nearby", explains Elizabeth Michael from Hiwa Village traditional Authority Tcheku-tcheku in Neno district. "I fell pregnant in 2013 and when I was due to deliver, I decided to go to the hospital to receive proper medical care that would prevent my unborn child from contracting the virus.

However, Neno health centre is very far from my village. It takes close to two hours of walking from here to

the centre. Sadly there were no other means of transport and walking was the only option I had. After close to an hour of walking in the sun, my water broke and I was forced to deliver by the roadside with no medical attendants.

I really never wanted my child to contract the virus because I know there is a way that could have prevented this from happening. I feel the government failed me. Had it been the hospital was close by; my child wouldn't have been living with the virus today. I fear someday when

he grows up he will ask me why he contracted the virus during birth and yet many during the same were born from HIV positive parents but never contracted the virus."

Elizabeth did not have access to a local health centre to receive treatment to prevent mother-to-child transmission in her pregnancy and birth. Like many ordinary Malawians, a weak public healthcare system, and an unaffordable private sector, left her without the healthcare she urgently needed.

Why worry about inequality?

- Increasing income inequality may hamper the poverty reducing effect of economic growth
- Inequality affects the level and pattern of economic growth
- Inequality may heighten risks of conflict or may require more redistributive government spending
- High inequality diminishes social mobility
- Corruption and inequality may reinforce each other in a vicious cycleⁱ

ⁱ See Oxfam (2014) Even It Up: Time to End Extreme Inequality' <http://policy-practice.oxfam.org.uk/publications/even-it-up-time-to-end-extreme-inequality-333012> for more detail on the dynamics highlighted in this box.

Economic Inequality

Economic inequality (measured by consumption) in Malawi worsened between 2004/05 and 2010/11, showing the gap between rich and poor is widening. Nationally, in 2004/5, the richest 10 percent of the population accounted for 46 percent of total consumption, while the bottom 40 percent accounted for 15 percent of total consumption. The share of consumption attributable to the top 10 percent increased to 53 percent in 2011, and that for the bottom 40 percent declined to 13 percent. This means that over the period 2004-2011, the consumption of the top 10 percent rose from being about three times higher to being about four times higher than that of the poorest 40 percent.

There is increasing polarization in consumption at the extreme ends of the wealth distribution. A comparison of the richest and the poorest 10 percent of the population paints an even direr picture of growing inequality. While consumption of the richest 10 percent was about 22 times higher than that of the bottom 10 percent in 2004, by 2011 it stood at 34 times.

High economic growth rates have not been pro-poor, inclusive or egalitarian. While the economy registered very high growth rates averaging over 7 percent per annum over the past decade, the Gini coefficient of per capita consumption increased from 0.390 in 2004 to 0.452 in 2011, showing that consumption inequality worsened over this period.

The picture across regions is mixed. In 2004, consumption inequality was most pronounced in the central region, but by 2011 the southern region overtook the central to become the most unequal.

Regional inequalities are primarily driven by inequalities within areas, more than inequalities between areas. For the period, 2004-2011, inequality dynamics are explained more by changes within locales e.g. within rural and urban areas (vertical inequalities) than inequalities between the areas (horizontal inequalities).

IN JUST SEVEN YEARS, THE GAP BETWEEN THE RICHEST 10 PERCENT OF MALAWIANS AND THE POOREST 40 PERCENT HAS INCREASED BY ALMOST A THIRD.



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Wealth Inequality

Land inequality in Malawi is even worse than consumption inequality. In 2011, the land Gini coefficient was 0.523, larger than the consumption Gini coefficient of 0.450. Yet although land is highly unequally distributed today, this dimension of inequality has actually improved, decreasing from 0.6023 in 2004/5 to 0.523 in 2010/11.

Nationally, wealth inequality has worsened over time and is worse than inequality in consumption. The Gini coefficient for wealth (as measured by household ownership of the following durable assets: radio, television, furniture, sewing machine, fridge, washing machine, bicycle, motorcycle, and car) has grown from 0.431 in 2004, to 0.564 in 2011. With the exception of urban areas, wealth inequality has significantly worsened over time in all the three regions.



We are the chief producers of food in the country – constituting 70 percent of the agricultural labour force. Sadly, many of us do not have access to productive resources such as land, capital and the produce we harvest”

Alice Kachere, woman farmer from Lilongwe.

Effnesi Bilita has a small plot of land on which she grows a variety of vegetables but she struggles to feed her family, especially during the hungry months.

Photo: Rachel Corner/Oxfam



Education Inequality

At all levels of education, access to education, as measured by school enrolment, is regressive (unequally distributed to the disadvantage of the poor). This is more pronounced for tertiary education. For instance, concentration indices of school enrolment for 2011 – showing the concentration of the rich within each level of education – highlight a minimal bias towards the rich in primary school; primary education is accessed by many people in poverty too. The bias in favour of the rich grows for secondary school enrolment, but for tertiary education the extreme dominance of the rich is clear¹⁰.

In Malawi, education qualifications are unequally distributed in favour of the better-off. Furthermore, the acquisition of education qualifications in Malawi becomes more regressive as the qualification level rises¹¹.

With respect to education qualifications, there is a clear three-way interaction among gender, economic and spatial inequalities. In both rural and urban areas, the percentage of girls with a given qualification is consistently lower than that for boys across the richest and the poorest households. Figure 1 shows that in rural areas, 2.4 percent of boys from the poorest families, and just 0.5 percent of girls, have achieved a Malawi School Certificate of Education (MSCE). The corresponding numbers for the richest households are 13.9 percent of boys and 6.9 percent of girls.



University degrees are not meant for the poor like me. Only children from rich families go to better schools – from primary to secondary – and later find themselves in the corridors of universities and colleges.”

Pilirani Banda from Salima district

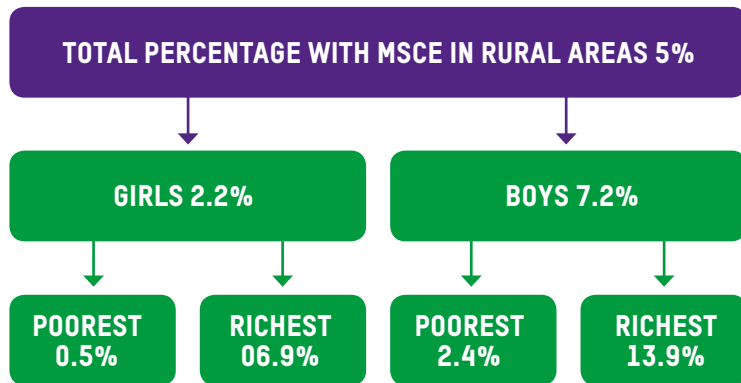
Children from poor families dominate public primary schools. Pupils from Magwero primary school in Lilongwe queue for water.
Photo: Daud Kayisi/Oxfam



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Figure 1 Total children with MSCE in rural areas



IN RURAL MALAWI, THE RICHEST BOYS ARE 28 TIMES MORE LIKELY THAN THE POOREST GIRLS TO ACHIEVE A MALAWI SCHOOL CERTIFICATE OF EDUCATION.

Moving across space, the percentage of girls or boys with a given education qualification is consistently higher in urban than in rural areas. However, when it comes to school enrolment, it is the interaction between economic and spatial inequalities that is strongest. Secondary school enrolment levels for girls and boys from the poorest urban families are about three times higher than those for children from the poorest families living in rural areas. On the other hand, secondary school enrolment levels for girls and boys from the richest urban households are still about two times higher than those for rural children from the richest households.

Enrolment into high-quality private primary schools is regressive. Private primary schools are generally of better quality than government or religious schools. Children from the richest families dominate these schools (comprising 94.6 percent of enrolled children in 2004/5 and 89.3 percent in 2010/11), while children from the poorest families make up the majority of enrollees in public primary schools (60.9 percent in 2004/5 and 59.8 percent in 2010/11).

CASE STUDY PRISCILLA* AND MARY

Priscilla is a hairdresser in Malawi's capital, Lilongwe. Priscilla had wanted to study at one of the country's public universities, but unfortunately was not selected to attend. Her parents could not afford to send her to a private college.

'I have been working as a hairdresser for a year now since I left the village, Mitundu, in pursuit of a better life and also to support my family. On average I work for eight to nine hours a day, but what I get is too little to sustain me. My wage per month is

MWK 15,000, which I sometimes receive late, depending on the profits and business done in that particular month.

'My pay is not enough to cover my rent, lunch, basic necessities and transport. For instance, I pay MWK 7,500 for my monthly rent, which is half my monthly wage. My husband is not working and I am the breadwinner in the family.'

In Malawi's rural areas the situation is even more desperate for many. Maria, 32, is a tea plucker on the

slopes of Mount Mulanje. She is fortunate to have a long-term contract and housing provided by the tea plantation; three-quarters of workers have neither of these thingsⁱ. Maria must pick a minimum of 44 kilograms of tea each day to earn her daily wage, which is still below the World Bank Extreme Poverty Line of \$1.25 a day. Both of Maria's two children are malnourishedⁱⁱ.

ⁱE. Chirwa and P. Mvula (Unpublished report, 2012) 'Understanding wages in the tea industry in Malawi', Wadonda Consultant). ⁱⁱOxfam (2014) op. cit.)

*Priscilla is not her real name

Health Inequality

Public health facilities in Malawi are free at the point of use, meaning they are not as regressive as in many countries in Africa where fees are charged¹². However, persistent shortages of medicines and staff mean that these facilities often provide a very poor quality service, despite the best efforts of their few heroic health workers.

In common with most developing countries, overall utilization of public outpatient care is regressive (unequally distributed to the disadvantage of the poor). This is largely because there are more public health facilities in urban and peri-urban areas¹³, where the poorest Malawians tend not to live. Moreover, for many people who can't afford to pay for healthcare, public clinics and hospitals represent the only option to access healthcare at all.

Christian Health Association of Malawi CHAM hospitals provide nearly 40 percent of available healthcare in Malawi, and vary hugely in quality¹⁴. They are often based in very rural areas, but charge user fees, meaning that the poorest are excluded from accessing healthcare, and often choose to travel much greater distances to free, public facilities. Studies have shown that men are more likely to use CHAM facilities, whilst women will use public facilities¹⁵.

With respect to catastrophic health spending, there is a clear dynamic across spatial inequalities. In 2011, 12.3 percent of the richest female-headed households in rural areas incurred catastrophic health payments. In urban areas this figure reduced to 5.9 percent. Similarly, 11.9 percent of the richest male-headed households in rural areas incurred catastrophic health payments, while the corresponding number for urban areas was 5.5 percent.



No country uses a single source of revenue to finance health care, but the most regressive is user fees. The Malawi government must avoid fees at all costs, and widen its tax base, to pay for healthcare in a progressive way."

**John Makina,
Country Director,
Oxfam in Malawi**

Kamuzu central Hospital children's ward: a common scene in most public hospitals in Malawi despite shortage of medicines and staff.
Photo: Bantu Times



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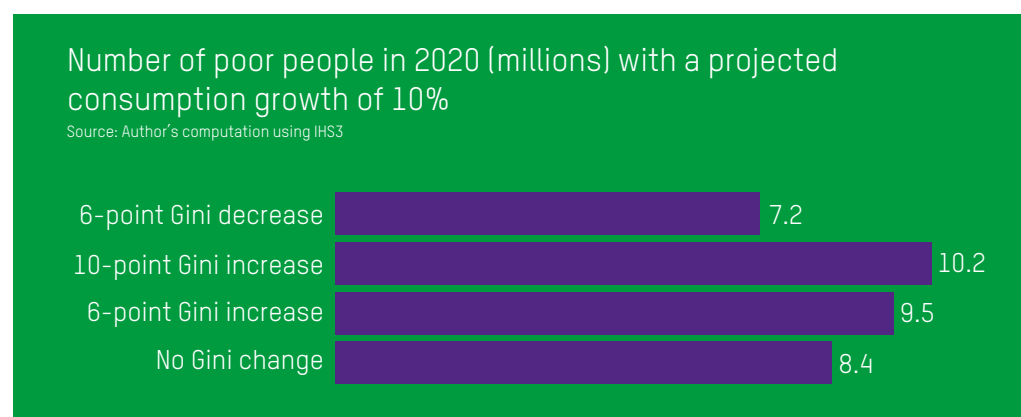
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Poverty-inequality-consumption-growth relationship

Malawi poverty reduction efforts would be more pro-poor and inclusive if deliberate policies to engender equality are instituted. Projections suggest that from a population of about 16.3 million the number of poor people in 2015 is 8 million¹⁶. The National Statistics Office (NSO) further projects Malawi's population in 2020 to be at 19.1 million.

For Malawi to reduce poverty in the next five years and beyond, inequality must decrease significantly. Assuming consumption growth of 10 percent, if inequality, or the distribution of consumption, remains as it is (i.e. the Gini remains at 0.45) then the projected number of poor people in Malawi in 2020 would be about 8.4 million.

Figure 2: Poverty projections under different inequality scenarios



IN 2015, 8 MILLION PEOPLE – OR 50% OF MALAWI'S POPULATION – LIVE IN POVERTY. IF INEQUALITY CONTINUES TO RISE AS IT HAS IN RECENT YEARS, BY 2020, 1.5 MILLION MORE MALAWIANS WILL LIVE IN POVERTY¹⁷.

Yet if in the next five years, inequality were to increase at the same pace as it did between 2004 and 2011 (i.e. the Gini increased by 6 points from the current level of 0.45 to 0.51), while consumption was still projected to grow by 10 percent, then the projected number of poor people in 2020 would be 9.5 million. This means that even with consumption growth of 10 percent but a worsening of inequality, there would be over a million more poor people in Malawi in 2020 than if there was no change in inequality but growth was still as robust.

Furthermore, a further worsening of inequality by 10 points from 0.45 to 0.55, would see 10.2 million poor people in Malawi in 2020. In contrast, if inequality were to decrease to the level it was in 2004 (i.e. 6-point Gini decrease), but, consumption still grew at 10 percent, then the projected number of poor people in 2020 would be 7.2 million. There would be 800,000 fewer people in poverty in Malawi than the 8 million seen in 2015.

In looking at the drivers of inequality, the study recognized that consumption inequality is a result of a causal chain that starts with 'basic or ultimate determinants' (policies, culture and so on), which influence 'intermediate' determinants (fertility, access to basic infrastructure, access to education and health, and so on).

Drivers of inequality in Malawi

Limited access to education leads to inequality in Malawi. A large intermediate contributor to consumption inequality in Malawi is education, especially tertiary education. Tertiary qualifications are unequally distributed in favour of the rich in Malawi. Malawi's recent mushrooming of private universities has the potential of further worsening inequality as only rich families can afford to send their children to private universities. At the same time, demand for public university places far outstrips supply, so the large majority of qualified applicants miss out.

Malawi also has one of the world's lowest levels of public spending on primary education per primary school child. A shocking 73 percent of public funds allocated to the education sector benefit the most educated 10 percent of the population¹⁸.

Lack of recognition of inequality as a problem in its own right in any of Malawi's development strategies worsens inequality

The Malawian government has implemented various development strategies emphasizing economic growth, infrastructure development and the provision of basic social services. These strategies include the Poverty Alleviation Programme (1994); the Malawi Poverty Reduction Strategy (2002-2005); and, more recently, the Malawi Growth and Development Strategy (MGDS) (2006-2011 and 2011-2016). A notable characteristic of all these strategies is that they do not recognize the role of inequality in trapping people in poverty and in hampering overall economic growth. The implicit assumption in these strategies is that poverty reduction will come through growth alone, i.e. growth will trickle down to alleviate poverty.

Inequities in access to quality health services drive inequality. Just like education, access to healthcare is a strong weapon in the fight against inequality. However, the rich have better access to quality health services in Malawi. The quality divide between the public and private healthcare systems in Malawi drives the rich to private clinics. The low quality which characterizes Malawi's public healthcare system stems from inadequate and unreliable funding. Additionally, public hospitals are heavily under-resourced in terms of staff and equipment.

It should be mentioned that inequalities of outcomes as measured by consumption inequality, and inequalities of opportunity as measured by health and education inequalities, are interrelated and mutually reinforcing. As a result, policies that focus on fighting both types of inequality would be most effective.

An ineffective implementation of gender-sensitive economic policies reinforces gender inequality.

In both rural and urban areas, the percentage of girls with a given education qualification is consistently lower than that for boys across the richest and the poorest households. Women also face challenges in terms of property rights, especially land ownership. Although the Malawi Growth Development Strategy II (MDGS) and Malawi Gender Policy talk about ending gender inequality, the implementation of these policies has to a large extent been ineffective. Further to this, Malawi's Land Policy is silent on equal inheritance and land rights for women.

LACK OF RECOGNITION OF INEQUALITY AS A PROBLEM IN ITS OWN RIGHT IN ANY OF MALAWI'S DEVELOPMENT STRATEGIES WORSENS INEQUALITY



I strongly feel the world only wants the rich to have access to quality healthcare. When they are sick, some are airlifted to very advanced hospitals in India or South Africa for treatment, and yet we [the poor] go to the same poorly equipped hospitals and get painkillers for every sickness. We can't afford private hospitals because they are expensive."
Doreen from Blantyre rural district



Blocking women and girls from getting skills and earnings to succeed in a globalized world is not only wrong, but also economically harmful."
Justin Yifu Lin, former World Bank Chief Economist and Senior Vice President

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CASE STUDY GENDER AND LAND INEQUALITY IN MALAWI

‘My cousins told me to leave the village I have called home since I was born because my father paid dowry to marry my mother, who came from another village. As per tradition, I and my siblings have no “right” to own any piece of land.

‘When I insisted that I had a right to inherit a piece of land that belonged to my father before he died, my cousins resorted to destroying the

crops in my garden as a way of trying to frustrate me. ‘When I still stayed in the village regardless of their inhumane acts, they threatened to kill me. One day they torched my house and I was forced to leave. I strongly feel they did this to me because I am a woman, because my brother still lives in the village.

‘Since 2011, I have been moving from one place to another trying to find

somewhere I can settle and be with my children. Sadly I haven’t found anywhere, so two of my children had to go to an orphanage. My other three are staying with ‘good samaritans’, and I decided to check in at this government rehabilitation centre. I am helpless and hopeless.’ Margaret from Chikuse village, traditional authority Chiwele in Dowa district.

Loopholes in the public finance management system and corruption in public services delivery drive inequality. Corruption and inequality are interlinked: high levels of corruption exacerbate inequality and high inequality worsens corruption, trapping societies in vicious circles. Efforts to reduce corruption in corruption-prone areas such as the police, immigration, road traffic, and judiciary could also have far-reaching inequality-reducing effects. Furthermore, Malawi has been plagued by the plunder of public resources in the so-called ‘cashgate’ scandal¹⁹. Recent evidence suggests that this is just the tip of the iceberg. For example, a similar but less acknowledged embezzlement scandal is also said to have taken place between 2009 and 2012, where close to \$206.7m was siphoned off from government coffers.

Embezzlement of public funds affecting service delivery is regressive and punishes the poor, since the poor predominantly use public services. Embezzlement of public resources has serious implications on public service delivery capacity, which in turn negatively affects the quality and indeed quantity of public services on which the poor and vulnerable depend. As noted in this report, the rich are less likely to use public services such as public hospitals and schools. They are more likely to go the better-quality private hospitals, and they are also more likely to send their children to the better-resourced private schools.

Weaknesses in the delivery of social protection drives inequality, especially consumption-related inequality in malnutrition. Social protection (which involves government provision of money or in-kind benefits) can help in mitigating an otherwise skewed income distribution. It is not only key to reducing economic inequality, but it also makes society as a whole more caring and egalitarian and less based on individualism. Children from rich families are less likely to be malnourished. Where children from poor families are malnourished, they are less productive as adults, meaning that their children are likely to be malnourished in turn, in a self-perpetuating intergenerational inequality trap. Although, the government and CSOs have been implementing a number of social protection programmes including the social cash transfer, food for work, public works, and school feeding programmes, their rollout has mostly been on a pilot basis and thus targets few eligible recipients.

EXPERTS ARGUE THAT UNTIL 2013, ABOUT 30 PERCENT OR MORE OF THE NATIONAL BUDGET WAS LOST THROUGH CORRUPTION AND FRAUD. UNTIL 2013, 40 PERCENT OF THE COUNTRY’S NATIONAL BUDGET WAS BEING FUNDED BY DONORS²⁰.

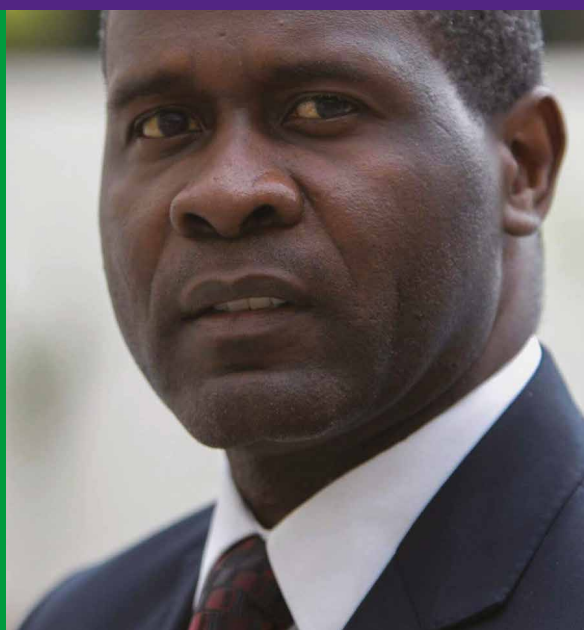
The existence of poverty wages and insecure jobs in Malawi leads to inequality. There is evidence pointing to the presence of poverty wages and insecure jobs in Malawi, and this is in part a reflection of weak enforcement of national labour laws. Due to poor funding to the Ministry of Labour, labour inspections are not done as regularly as they should be. Furthermore, Malawi, unlike her neighbours, has no national employment and labour policy.

A POINT OF VIEW

'Who can grant me an asylum or a thirty-year residence permit to live in a country where people are "alive" and believe in justice, accountability, progress and success? I am sick and tired of being part of a nation that has taken a vow of poverty, suffering and mediocrity. I would like to give my children the opportunity to live in a different society that has people who don't smile at poverty nor mediocrity. So, help me God!

Or, should I still remain hopeful? Why should I? What reasons must I hold-on-to? Could we probably have a critical mass this time around that can stand up and say "enough is enough"?! Let us do whatever is legally necessary to "rescue" our country! '

Henry Kachaje, Economics Association of Malawi, President.



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Political Inequality

Political power is unequally distributed. It is concentrated in one region and, within parties, it is concentrated in founder families and cliques. Under the Malawi Congress Party (MCP), power was absolutely concentrated in one man and one party. In the multi-party era, politics have been competitive but political power has derived from regional and ethnic concentration; only one region has produced all four multi-party presidents. The degree of political power and inequality is even more concentrated within political parties. With the exception of one political party, all the parties that have been in existence for over ten years and are represented in Parliament are led by blood relatives of party founders.

Presidents of the Republic of Malawi since 1964, from right to left: Hastings Kamuzu Banda, Bakili Muluzi, Bingu wa Mutharika, Joyce Banda and the incumbent, Peter Mutharika



Progress towards gender equality in exercising political power has regressed. In Malawi²¹, access to political power is mediated by culture, especially patriarchy, which works to the detriment of women's political empowerment. Malawi is signatory to a number of international protocols and has a fairly progressive legal framework on gender inequality, but de facto norms derived from culture seem to supersede the de jure provisions. In spite of the law, international commitments and the 50-50 campaign²², in 2014 the number and proportion of women in Parliament declined from 43 to 32, representing a fall from 22.28 percent to 16.58 percent.

Citizens have not been able to speak to power and the state does not constantly seek to strengthen its social contract in upholding the rights of its citizens through independent oversight bodies. There is inadequate people's participation in democratic governance structures and processes and, over time, different arms of government have progressively usurped powers and prerogatives that the constitution granted to the citizen. Constitutional bodies and other oversight institutions such as the Malawi Human Rights Commission, the Office of the Ombudsman, the Anti-Corruption Bureau and the Malawi Electoral Commission – created to facilitate citizens' voice and access to power – are characterized by inadequate capacities and institutional structures which constrain their effectiveness and responsiveness in engaging the citizenry. Examples abound where the state has refuted findings of its own Human Rights Commission. As such, it is felt that the state does not seek to sufficiently strengthen the social contract and rights of its citizens through these bodies.

Concentration of political power in the executive has manifested in impunity and lack of accountability. Over time, the executive seems to have increasingly infringed on separation of powers and reduced legislature's independence and ability to provide oversight and

“**Gender equality is more than a goal in itself. It is a precondition for meeting the challenge of reducing poverty, promoting sustainable development and building good governance.”**
Kofi Annan, former UN Secretary General

demand accountability. The president's prerogative to choose ministers from among MPs makes legislative manoeuvres easy for the executive, but undermines legislative oversight, responsibility, accountability and transparency, and may foster a culture of executive impunity.

For example, during 2009-2014, the cabinets comprised over 40 ministers and deputies, almost all of whom were MPs. This inclusion of ministers in Parliament undermines legislative independence in terms of agenda-setting. Business in the house is almost always proposed, dictated and shepherded by the party in power, with little contribution from other parties.

Contestation over the outcomes of the electoral process has led to concerns about the outcome of the election and undermined the legitimacy of the eventual winners. Areas of contestation include, but are not limited to: impartiality, accountability, transparency, and infringements in the electoral process. At times, political and social polarization has manifested itself in state- and/or party-sponsored violence, with the party youth wings as the principal accomplices²³.

IN 2014, THE NUMBER OF FEMALE MEMBERS OF PARLIAMENT FELL BY A QUARTER.

CASE STUDY STRENGTHENING STATE ACCOUNTABILITY IN MALAWI

'Water used to be a problem in this village. The borehole we had used to serve people from four villages. We could spend the whole morning at the borehole just to fetch water which was hardly enough for cooking and drinking. We tried all avenues to meet the relevant authorities [and asked them] to at least drill enough boreholes, but nothing happened. We were even frustrated because authorities kept on assuring us that things would be sorted once the government had money. Time went by but nothing happened. However through our 'Star Circle' – where we meet weekly to discuss issues of concern regarding access to essential services – we organized an interface meeting with the duty-bearers in December 2012. The meeting brought together officials from the Water Supply Department from Balaka District Council and community members facing acute water shortage. Water Supply

Department officials attributed the scarcity of water in the district to the vast, growing population, which Mpira damn, the only source of potable water, could not support. Nevertheless, the officials pledged to us that our village will be among the beneficiaries of the 'Gift of the Givers' borehole drilling project.'

Maria Kamba from Kachomba village in Traditional Authority Nsamala in Balaka district.

After some time, the promise was honoured and community members in Kachomba village are now accessing clean and fresh water, thanks to the work of the Star Circle.



A woman draws water from a borehole. Photo: Oxfam

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Conclusion

Inequality is not an accident, nor is it inevitable; it originates from policy choices.

Consequently, some policy choices can worsen inequality while others reduce it. As is aptly pointed out by UNRISD, 'Without deliberate policy interventions, high levels of inequality tend to be self-perpetuating. They lead to the development of political and economic institutions that work to maintain the political, economic and social privileges of the elite.

This study has identified a number of factors driving inequality in Malawi, and made clear that poverty reduction in Malawi will be faster if inequality decreases. But reducing inequality will not be a benign by-product of growth under trickle down assumptions. It will only happen as a result of deliberate joint policy efforts, which all Malawi's government and civil society must unify behind.

Leyla Kayere, 76, selling her tomatoes in the Mmembo, Bvumbwe area.

Photo: Abbie Trayler-Smith/Oxfam



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Endnotes

- ¹ Household surveys fail to capture adequately the true levels of consumption and wealth at the top.
- ² UNDP, Human Development Reports (2013), 'Income Gini coefficient' <http://hdr.undp.org/en/content/income-gini-coefficient>
- ³ Assuming consumption growth of 10 percent.
- ⁴ Assuming consumption growth of 10 percent.
- ⁵ World Bank (2007) 'Malawi Public Expenditure Review', Malawi: World Bank.
- ⁶ Oxfam (2008) 'Malawi Essential Health Services Campaign, For All Campaign Country Case Study', <http://policy-practice.oxfam.org.uk/publications/malawi-essential-health-services-campaign-country-case-study-112513>
- ⁷ Ibid.
- ⁸ http://www.huffingtonpost.co.uk/max-lawson/oxfam-tax-avoidance_b_6721390.html
- ⁹ Malawi's Vision 2020 is the country's national long term development plan. <http://www.sdn.org.mw/malawi/vision-2020/>
- ¹⁰ Concentration indices of school enrolment for 2011 were: 0.036 for primary school enrolment, 0.362 for secondary school enrolment, and 0.772 for tertiary enrolment.
- ¹¹ For example, in 2011, the concentration index for a tertiary qualification was 0.8165, it was 0.4759 for Malawi School Certificate of Education, and it was 0.2571 for Junior Certificate of Education (JCE).
- ¹² World Bank (2007) 'Malawi Public Expenditure Review', Malawi: World Bank
- ¹³ WHO (2014) Malawi: Country Cooperation Strategy At A Glance http://www.who.int/countryfocus/cooperation_strategy/ccsbrief_mwi_en.pdf
- ¹⁴ Oxfam (2008), op. cit.
- ¹⁵ Ibid.
- ¹⁶ The national poverty line for 2010/11 of MK37002 is used as a threshold for classifying households into poor and non-poor.
- ¹⁷ Assuming consumption growth of 10%.
- ¹⁸ UNESCO (2014) 'Teaching and Learning: Achieving Quality for All 2013/14', EFA Global Monitoring Report, <http://unesdoc.unesco.org/images/0022/002256/225660e.pdf>
- ¹⁹ Cashgate is the biggest financial scandal in Malawi's history. Government officials allegedly exploited a loophole in a computer-based information storage system to divert up to \$250 million (225 million euros) from government coffers.
- ²⁰ <http://www.nyasatimes.com/2013/07/13/malawi-losing-30-of-budget-money-to-corruption/>
- ²¹ When we control for region and resources.
- ²² The 50 – 50 campaign programme is intended to increase participation of women in political decision making spaces.
- ²³ Chirwa W. (2014) 'Malawi democracy and political participation; A review by AfriMAP and the Open Society for Southern Africa'.

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