



MALAWI GOVERNMENT

REGIONAL WORKSHOP ON AGEING AND POVERTY

*The Implications for national Poverty Policies and Achieving the MDGs in
Eastern and Central Africa*

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Country Position Paper **MALAWI**

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1.0 Background

The Malawi Poverty Reduction Strategy Paper (MPRSP) came into being as a result of an extensive participatory process that involved stakeholders from all parts of the Country. It represents a major advance in the fight against poverty in Malawi for a variety of reasons. Firstly, it brings into clear perspective the poverty situation in the country and the need to ensure that all efforts in Government, Civil Society and Cooperating Partners are aimed at improving the situation. Secondly, it presents a detailed, prioritised and costed action plan that can be translated into Government's Budget and can be monitored by all stakeholders. Thirdly, it represents a national consensus about priorities for poverty reduction and provides a coordinating framework to guide the activities of all stakeholders.

At the hub of the Malawi Poverty Strategy (MPRS) is the philosophy of empowerment because the people of Malawi have realized that for the country to achieve meaningful development, the poor should not be seen as helpless victims in need of handouts and passive recipients of trickle-down growth but masters of their own destinies. The role of Government and its partners is therefore to create the conditions for the poor to reduce their own poverty.

The Strategy itself is built around four pillars. These pillars are the main strategic components grouping the various activities and policies into a coherent framework for poverty reduction. The first pillar promotes rapid sustainable pro-poor economic growth and structural transformation. The second pillar enhances human capital development. The third pillar improves the quality of life of the most vulnerable. The fourth pillar promotes good governance. The MPRS also mainstreams key cross-cutting issues such as HIV/AIDS, gender, environment, and science and technology.

In Malawi, most aged persons are usually capital-constrained with low productivity due to land constraints and oftentimes they are greatly affected in times of disasters. The third pillar is, therefore, to ensure that the quality of life of the most vulnerable, including the aged, is improved and maintained at an acceptable level.

2.0 SUMMARY OVERVIEW OF STATUS OF NATIONAL POVERTY POLICY AND STRATEGY

2.1 Poverty Situation in Malawi

The incidence of Poverty in Malawi is widespread, deep and severe. 65.3 percent of the population is poor, or roughly 6.3 million people.¹ The poor, in this case, are defined as those whose consumption of basic needs (both food and non-food) is below the minimum level estimated at MK 10.47² per day in 1998 and within this number of the poor, 28.2 percent of the total population are in dire poverty.

In general, the poor have low levels of access to or acquisition of certain basic social services or capabilities. The level of inequality is well illustrated by the fact that in 1997/98, the richest 20 percent of the population consumed 46.3 percent while the poorest 20 percent consumed only 6.3 percent of total reported consumption of goods and services.

In urban areas, the richest 20 percent consumed 58.4 percent while the poorest 20 percent consumed only 4.5 percent. Consumption was also more unequally distributed within urban areas where the Gini coefficient was 0.52 as opposed to 0.37 in rural areas³ (see Table 2.1 below).

Table 2.1: *Indices of Inequality in Consumption*

	Gini Coefficient ¹⁴	Consumption of Group as Percentage of Total Consumption of Population	
		Poorest 20%	Wealthiest 20%
National	0.40	6.3	46.8
Rural	0.37	6.7	44.3
Urban	0.52	4.5	58.4

Source: Government of Malawi (2000) *Profile of Poverty in Malawi: Poverty Analysis of the Integrated Household Survey*

Despite this commonness, some sections of the population are generally more affected than others. These include land-constrained smallholder farmers which includes the aged persons; labour-constrained female-headed households; estate workers or tenants; *ganyu*⁴ and other casual labourers; destitute or disadvantaged children, like orphans, street children and child heads of households; persons with disabilities; low income urban households; the elderly; the uneducated and the unemployed.⁵ The third pillar in the MPRSP is therefore designed specifically to address the adversity of these people.

¹ Government of Malawi (2000) *Profile of Poverty in Malawi: Poverty Analysis of the Integrated Household Survey 1998*

² Average Exchange Rate in 1998 was MK31.1 = 1 US Dollar and in October 2003 was around MK109.5

³ The 1997/98 Gini -coefficient cannot be compared with the 1991/92 Gini -coefficient of 0.62 due to methodological differences.

⁴ *Ganyu* is piecework in return for cash or in kind

⁵ The Malawi Poverty Reduction Strategy (April, 2002)

2.2 Causes of Poverty

Poverty in Malawi is caused by various factors. Many of these are constraints on the economic productivity of land, labour, capital, and technology. Constraints on the productivity of land include rapid environmental degradation and limited or inadequate access to land. Constraints on labour include generally low levels of education, poor health status including HIV/AIDS, lack of or limited off-farm employment, rapid population growth, and gender inequalities. The key constraint on capital is lack of access to credit. All of these factors causing poverty are exacerbated by generally weak institutional capacity within the country.

2.3 Geographic Distribution of Poverty in Malawi

Poverty is more widespread in rural areas than urban areas. It is estimated that 66.5 percent of the rural population live in poverty as compared to 54.9 percent for urban areas. While as many as 90 percent of the population live in rural areas, 91.3 percent of the poor and 91.5 percent of the ultra poor also live in rural areas⁶. The Southern Region has the highest proportion of poor households compared to the other two regions in the country, the Centre and the North. In 1998, 68.1 percent of the population in the Southern Region were poor as compared to 62.8 percent for the Central Region and 62.5 percent for the Northern Region. The Southern Region's poverty situation can partly be explained mainly by migration into the Region and by the small size of cropland holdings per capita estimated at 0.176 hectares compared to 0.257 hectares and 0.256 hectares for Central and Northern regions respectively.

Poor households tend to have larger families with many dependents. The national dependency ratio (dependents per person of working age) is 0.89. However, the dependency ratio for poor households is higher at 1.05⁷. Females head 25 percent of all households and these households have always been disproportionately poor, especially in the rural areas. In urban areas, female headed households are less likely to be poor and tend to be more educated and in formal employment.

Orphans are one of the groups most affected by poverty. According to the 1998 Census⁸, 1.5 percent of those aged 20 years or younger had lost both of their parents. Most of these orphans lived with grandparents who were in most cases single and resource constrained. The 1998 HIS revealed that 3.6 percent of households were headed by women aged over 65 years, whilst 0.6 percent of households were headed by individuals under the age of 20, which is a reflection of the emergence of child headed households⁹.

⁶ Government of Malawi (2000) *Profile of Poverty in Malawi: Poverty Analysis of the Integrated Household Survey 1998*

⁷ *ibid*

⁸ Government of Malawi (1998) *Malawi Population and Housing Census*

⁹ Government of Malawi (2000) *Profile of Poverty in Malawi: Poverty Analysis of the Integrated Household Survey 1998*

2.4 Sources of Data on Poverty in Malawi

When the UDF Government came to power in 1994, it took Poverty Alleviation as its overriding policy goal. With the inauguration of the Poverty Alleviation Program in August 1994, the Government of Malawi committed itself to reorienting economic and social policies towards developing human and economic resources for reducing poverty in the country. Shortly after the launch of the PAP a Poverty Monitoring System (PMS) was established to support Government's effort in this area, enabling it to closely monitor the economic and social situation of the population and to analyse the impact, effectiveness, and efficiency of poverty-oriented policies, programs, and projects¹⁰.

In 1997-98 the Government of Malawi conducted an Integrated Household Survey (IHS), which was a comprehensive socio-economic survey of the living standards of households in all districts in the country.

This survey (IHS) was carried out by the National Statistical Office (NSO) under the auspices of the Poverty Monitoring System and the principal purpose was to allow a quantitative poverty analysis to be conducted and a poverty profile developed for the nation.

The 1997-98 IHS provided key benchmarks for future assessments on trends in poverty in the country. The survey was designed so that the information gathered could be used to gauge the incidence of poverty in the population at the district level and above. The first poverty profile based on the IHS was completed in late 2000. This is a descriptive tool that provides key information on the *correlates* of poverty. Typically a poverty profile is a bi-variate analysis which compares the poverty status of households or individuals to each of a range of selected characteristics of the households or individuals. Although the poverty profile is insightful, such a bi-variate exercise is limited in its usefulness because it shows how poverty levels are correlated one characteristic at a time. In doing so it does tend to simplify complex relationships. Nevertheless, the completion of the poverty profile provides an appropriate starting point for determinants of poverty analysis. The determinant of poverty analysis is a multi-variate analysis that extends the analysis of the poverty profile by attempting to infer the *causality* of specific household characteristics on household welfare¹¹.

Other sources of data include the quantitative surveys on poverty e.g. Quantitative Impact Monitoring conducted in 1997 and 2002 and Demographic Household Surveys (DHS).

¹⁰ Although the Technical Working Committee of the PMS includes a wide range of stakeholders, three core institutions undertake most of the data collection and analytical functions for the PMS: the Ministry of Economic Planning and Development (MEPD), the National Statistical Office (NSO), and the Center for Social Research (CSR) of the University of Malawi.

¹¹ The Determinants of Poverty in Malawi, (1998) *An analysis of the Malawi Integrated Household Survey, 1997-98*

2.5 National Poverty Policy and Strategy

With the advent of multiparty and ushering in of a new democratic Government in Malawi in May 1994, the policy agenda for national development centred on poverty alleviation. In this vein, His Excellency Dr. Bakili Muluzi launched the Poverty Alleviation Programme (PAP) on the 25th August 1994 outlining a process of economic and social development in which people have been directly involved and empowered, right from the community to the national level, to improve their livelihood.

The process of preparing the national poverty policy document involved a number of meetings within government as well as elaborate consultations between the Government and other stakeholders.

The national poverty policy defines the extent of poverty against the background of certain historical and prevailing socio-economic trends and a conceptual framework of poverty which illustrates the causal factors and manifestations of the problem. It also defines the vision and mission of the Programme, relationship of Programme to other initiatives within the current structure of development management in the country.

PAP Strategies have been formulated for each group in poverty by identifying major causes of their poverty because the Government strongly believes that for the Programme to be successful, it needs to be targeting. Based on these, sectoral ministries, the civil society and cooperating partners have been encouraged to respond to the cause through various interventions that are in line with the policy direction. Implementation of the PAP led to drawing lessons which were used in formulating the PRSP. One of the shortcomings of PAP was that it lacked targets as well as a link to the budget.

2.6 Connection between National Poverty Alleviation (Reduction) Programme and the Malawi Poverty Reduction Strategy Paper.

Just as was the case in the formulation of the PAP, the process of developing the MPRSP was a highly consultative one involving a broad range of stakeholders. Most details of the strategy were provided by 21 Thematic Working Groups (TWGs) drawn from Government, civil society, NGOs, donors, private sector and religious communities.

Apart from these consultations, the TWGs reviewed quite a good number of literatures including the Policy Framework for PAP. In this regard, the MPRSP clearly addresses other principal instruments as enshrined in the PAP, PRSP Guidelines, MDGs, etc. For example, both the PAP and the MPRSP identifies the elderly as one of the vulnerable groups to be targeted for development activities.

The third pillar in the MPRSP clearly shows how the quality of life of the most vulnerable shall be improved as indicated in 2.0 above. The MPRSP has also mainstreamed other cross-cutting issues such as the HIV/AIDS, gender, environment, and science and technology in all the four pillars, no wonder Malawi was among the top three

out of the 13 PRSPs that had been completed by the year 2002 in terms of mainstreaming Gender. With the assistance from CIDA, Malawi has just concluded a consultancy on the enhancement of gender integration into the MPRS that will help in improving the quality of life of the most vulnerable including the aged even further.

In terms of implementation, MPRS despite being well costed had experienced a major setback in its first year of implementation largely due to donor fatigue.

3.0 OVERVIEW OF CURRENT SOCIAL POLICY/STRATEGY WITH RESPECT TO OLDER PERSONS IN MALAWI

The government of Malawi has not developed any substantive policy perse to specifically address issues of older persons. However, there are various Social Protection Strategies which the government has put in place to address most social and economic issues affecting older persons. The most commonly used strategy is the Public Assistance Scheme (PAS). This is a Welfarist Approach to address both the social and economic needs of older persons. The scheme recognizes that the needs of older persons are many and varied and therefore utilizes the community based approach in promoting and supporting the rights of older people by providing them with social and health care services within the community set up. Apart from this blanket support to older persons, the Public Assistance Scheme also provides short term emergency support to the very needy and indigent older persons by providing occasional supplies of food stuffs, clothing and shelter, in a way of direct transfers.

The second social protection strategy which is more formalized for the protection of older persons is the Government Public Pension Scheme. This is a non contributory retirement package for most public workers in the civil service which is aimed at cushioning the retired workers from social and economic shocks as a result of unemployment and old age. Various legislation exist which provide an enabling environments for the establishment of several retirement benefit schemes. As a result, State Parastatals operate their own pension, provident funds and occupational schemes to provide social security to their employees in old age.

A more encompassing general government strategy to galvanize the livelihoods of the most vulnerable and marginalized groups which includes the elderly persons in the country is the National Safety Net Programme (NSP). The programmes thrust is to enhance the productivity of this category of people through empowerment for self reliance to enable them generate wealth.

The Direct Welfare Transfer (DWT) component of the SNP aims to directly improve the livelihoods of the “vulnerable” groups particularly the elderly persons by firstly meeting the short term consumption needs (provisioning) of this category of people and thereafter by protecting the vulnerable (aged) from falling back into destitution and lastly by building the capacities to generate their own savings through wealth creation.

4.0 EVIDENCE ON POVERTY-AGEING LINKAGES

Although the government thrust to eradicate poverty is through the improvement of the lives of all vulnerable groups, older persons keen to be most affected by poverty because most programs do not directly address issues that affect them. Most often, older person needs are neglected because it is assumed that they live in their families and communities and that these institutions should provide for their welfare. This assumption perpetrates the effects of poverty on the older persons by subjecting them to both social and economic shocks. This situation is manifested through the following linkages:

- **Social exclusion**

The assumption that older persons are both cared for by their families and communities subjects them to social exclusion from government social services such as housing, health care. Etc This increases their vulnerability to poverty related shocks.

- **Economic Deprivation**

Most older persons are excluded from economic related productive activities because they are presumed to be infirm and un productive. They are therefore denied opportunities to engage in income generation activities through micro credit programmes. The result is that older persons are unable to build assets through income generated from the activity. This in turn creates low savings and perpetrates poverty.

- **Material Poverty**

Older persons, most often than not, are land constrained, dependent on other members of the family and are less involved in development work. This deprives them of the opportunity to create wealth through asset building e.g housing, food security, land ownership etc.

- **Dependency**

Most older persons are dependent on their families and Communities for livelihood. This lack of independence ate perpetrates exclusion in important decision making processes on policies that affect their lives. As a result poverty related programming rarely includes their views. All these factors and many other ageist attitudes exacerbate the effects of poverty on older persons.

5.0 Steps towards the Integration of Aging into the MPRS

The Government of Malawi recognizes fully the imperative for integrating gender equality principles in the PRSP. This is because human development is neither successful nor sustainable unless views of women and men, girls and boys as well as the aged shape the development agenda. As such, any meaningful development agenda needs to clearly articulate two facets of the gender equality rationale, namely:

- Equality - giving women, men, girls and boys as well as the aged the same opportunities to access services that would enable them to develop and realize their full potential;
- Equity - providing equal benefits from development for the aged, men, women, girls and boys;

As indicated in 2.6 above, the Government of Malawi with assistance from the CIDA has just completed a gender audit of the MPRS. This information will provide technical inputting during the revision of the MPRS after the first three years of implementation.

Regarding the monitoring of the MPRS, the Ministry of Economic Planning and Development through its M&E Division is currently finalizing the MPRS M&E Master Plan with a set of indicators that will be used for checking progress on implementation. Again with assistance from the EU and other donors, the Ministry is developing a system of M&E for the MPRS at both the National and District levels.

Although, the Government of Malawi can swank that it has gone a long way in addressing the needs of women, men, boys, girls and the aged in relation to the process of the MPRS, there is still greater need to develop an advocacy strategy and programmatic aspects that would be supported at national level through budgetary and fiscal efforts and to lobby for donor funding and support for the most vulnerable groups especially the aged since most of NGOs available concentrate their effort on Women's Rights and the Girl Child. More often than not, the aged do not receive special attention as compared to the other groups. In some areas the elderly are associated with witchcraft, thus people shun away from them. Most elderly persons have been left unattended to because the perception is that, they are expected to be assisted by their children. Because of these perceptions, there is generally insufficient data on the elderly.

The low life expectancy prevailing now may also be diverting people's attention that probably this is a minority group since people are dying young. However, with the rising numbers of orphans, the elderly who may not have the means to do so is caring for most of them.

6.0 CONCLUSION AND RECOMMENDATIONS

With low levels of life expectancy in our midst, there has been less attention paid to the aged. This is a pathetic state of affairs and needs change at all cost. Although the MPRS addresses the needs of the aged through its pillar number three it would appear the assistance would only come in times of hardships. For instance, the targeted inputs programme would enhance the productivity of the capital-constrained poor by distribution free agricultural inputs. This does not address the needs of the aged in our society as most of them don't even have land and the vigor to cultivate. Secondly, public works programmes would increase productivity of the labour-abundant but land constrained poor by employing them. Again, this does not address the needs of the aged adequately. The third type of safety nets under pillar three completely neglects the aged by targeting nutrition programmes only to malnourished children and lactating and pregnant mothers. Lastly, the fourth safety net which targets individuals in those areas affected by disasters excludes the needs of the aged in areas that are not disaster-prone.

There is need to audit the MPRSPs in Eastern and Central African countries to check whether issues concerning the needs of the aged have been adequately addressed. To carry out this task more effectively, information gathering on the elderly should be prioritized.

The younger generation should change their mindset and respect the elders and more especially the aged. These should not be regarded as hermits within our societies.