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# EXECUTIVE SUMMARY

## 1.0 INTRODUCTION

## 2.0 POVERTY

- 2.1 Continuous state of poverty has damaging, partially irreversible effects
- 2.2 Decreasing Poverty levels after a prolonged static period
- 2.3 Why does urban and rural poverty seem to develop differently?
- 2.4 Regional Poverty Trends
- 2.5 Urban Poverty Trends
- 2.6 Rural District Poverty Trends
- 2.7 Lessons Learned on Poverty

## 3.0 EDUCATION

- 3.1 Increasing Literacy level in the country
- 3.2 Literacy rate declining in urban areas
- 3.3 Increasing Education Attendance
- 3.4 Declining Net Enrolment Rate
- 3.5 Improving urban and rural enrolment rates
- 3.6 Gross Enrolment Rate
- 3.7 Slight Increase in Drop Out Rate in Primary School
- 3.8 Drop out rate in rural areas is high compared to urban areas

## 4.0 HEALTH AND NUTRITION

- 4.1 Nutrition Status of under-five children
  - 4.1.1 Stunting
  - 4.1.2 Wasting
  - 4.1.3 Underweight
- 4.2 Childhood Mortality
- 4.3 Improved Maternal Health
- 4.4 Proportion of Births Attended by Skilled Personnel
- 4.5 Total Fertility Rate
- 4.6 Malaria Prevalence
- 4.7 Prevalence of HIV and AIDS
- 4.8 Immunization

## 5.0 WATER AND SANITATION

- 5.1 Access to Safe Drinking Water is improving in Rural Areas
- 5.2 Rural People Travel Long Distances to Access Drinking Water
- 5.3 Access to Improved Sanitation

## 6.0 ENERGY AND ENVIRONMENT

- 6.1 Many households still using solid fuels for cooking

References
LIST OF FIGURES

Figure 2.1 : National, Urban and Rural Poverty Rates 1998 -2007 ......................... 5
Figure 2.2 : National, Urban and Rural ultra-poverty Rates 1998 -2007 .................. 5
Figure 2.3 : Distribution of Per Capita Consumption Expenditure in 2005 ............... 6
Figure 2.4 : Regional Poverty Rates 1998 -2007 ................................................. 9
Figure 2.5 : Rural Regional and Urban Poverty Rates 1998 -2007 ......................... 10
Figure 2.6 : Regional Ultra-poverty Rates 1998 -2007 ......................................... 11
Figure 2.7 : Map of Poverty Headcount in Urban Areas, IHS2 2004/05 ............... 12
Figure 2.8 : Regional Urban Poverty Rates 2004 -2007 ........................................ 13
Figure 2.9 : Poverty in Urban Districts ............................................................... 13
Figure 2.10: Males per 1000 Females by Major Cities ......................................... 14
Figure 2.11: Poverty in Rural Districts in Northern Region .................................. 15
Figure 2.12: Poverty in Rural Districts in Central Region .................................... 16
Figure 2.13: Poverty in Rural Districts in Central Region .................................... 16
Figure 2.14: Poverty in Rural Districts in Southern Region ................................... 17
Figure 2.15: Poverty in Rural Districts in Southern Region ................................... 17
Figure 3.1 : Literacy Rates .......................................................... 20
Figure 3.2 : Urban- Rural Literacy ............................................................... 21
Figure 3.3 : Primary School Education Attendance ........................................... 22
Figure 3.4 : Primary Net Enrolment Rate .......................................................... 23
Figure 3.5 : Urban-Rural Enrolment Rates ......................................................... 24
Figure 3.6 : Primary School Gross Enrolment Rate ............................................ 25
Figure 3.7 : Drop Out Rate ............................................................................. 26
Figure 3.8 : Urban-Rural Dropout Rates ............................................................ 26
Figure 4.1: Proportion of Stunted Under-five Children ....................................... 27
Figure 4.2: Proportion of Wasted Under-five Children ....................................... 28
Figure 4.3: Proportion of Underweight Children ............................................... 29
Figure 4.4 : Infant Mortality Rate .............................................................. 30
Figure 4.5 : Maternal Mortality Ratio ............................................................ 31
Figure 4.6 : Proportion of Births Attended by Skilled Personnel ....................... 32
Figure 4.7: Proportion of Under-Five Children Sleeping Under Mosquito Net .... 33
Figure 4.8 : Proportion Immunized Against Measles ......................................... 35
Figure 5.1 : Access to Safe Drinking Water ..................................................... 38
Figure 5.2 : Share Using More than 30 Minutes to Main Source of Drinking Water .... 39
Figure 5.3 : Share With Access to Improved Sanitation ..................................... 40
Figure 6.1 : Share of Households Using Solid Fuels for Cooking ...................... 42
Figure 6.2 : Share of Households Using Firewood and Charcoal by Region in 2008 ... 43
Figure 6.3 : Proportion of Households in Malawi Using Electricity for Cooking .... 44
# LIST OF ACRONYMS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDS</td>
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<td>Core Welfare Indicator Questionnaire</td>
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<td>DHS</td>
<td>Demographic Household Survey</td>
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<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<td>IHS</td>
<td>Intergated Household Survey</td>
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<td>MDG</td>
<td>Millenium Development Goals</td>
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<td>MDHS</td>
<td>Malawi Demographic and Healthy Surveys</td>
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<td>MGDS</td>
<td>Malawi Growth and Development Strategy</td>
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<tr>
<td>MICS</td>
<td>Multiple Indicator Cluster Survey</td>
</tr>
<tr>
<td>WMS</td>
<td>Welfare Monitoring Surveys</td>
</tr>
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EXECUTIVE SUMMARY

This report brings together results from several different surveys to present recent trends in poverty in Malawi. Poverty reduction has been at the centre of the development policy since the early 1990s. However, until recently progress in reducing poverty had been slow. Income measures of poverty indicate that more than half of the population (52 percent) lived below the poverty line in 2004.

The period 2004-2008 showed a substantial drop in poverty, from 52 percent to 40 percent. Based on a projection of 12 percent reduction in four years, the poverty headcount would be well below 20 percent in 2015. However, there are good reasons to believe that much of the recent drop in poverty is due to the good harvest registered in the recent years. Subsidized farm inputs and good climatic conditions have led to increased production in the country. Moreover, real welfare changes are not always mapped directly into measured poverty. It is assumed that the use of the headcount ratio may have reinforced the real welfare changes that took place from 2004 to 2008. The implication is that any lean harvest in the future could very well have the opposite effect on measured poverty.

In 2008, about 15 percent of people were living in ultra-poverty, a condition of extreme deprivation. The ultra-poor are the lower limit of the poor. Poverty continues to be much higher in rural areas than in urban areas, and the South is still the poorest region. With a high national population share, this region also has the highest absolute number of poor in the country. The Northern region is the only region where there was some ultra-poor poverty decrease from 2007 to 2008, from 18 to 11 percent.

Rural and urban poverty are probably strongly interlinked due to migration. The current pattern of urban-rural poverty gap is consistent with a reversion of previous immigration into Lilongwe. The urban-rural poverty gap continued to diminish since 1998, but is now rising again due to the sharp drop in urban poverty. The average urban poverty figures disguise the poverty pockets found in urban slums. The large sample size in WMS 2007 allowed comparison of district level poverty with that of 1998 and 2004. Half the districts had an increase in poverty from 1998 to 2004, while the other districts had a decrease in poverty both from 1998 to 2004, and also from 2004 to 2007.

Under education, reforms are being implemented to improve access, retention, quality and relevance of education. Literacy rate has been increasing since 2002 and it is currently at 82 percent. The rates for both males and females are increasing and the
difference between the sexes has decreased from 25 percent in 2004 to 5 percent in 2008. Most people in the country have at least attended some education.

Regarding health and nutrition, the nutritional status of under-five children has been improving over the years. The report shows that the levels of stunting, wasting and underweight have improved. In 2006, three out of ten children were stunted, a drop from five out of ten in 2000. In 2004, the country had 48 percent stunted under five children but the number declined to 36 percent in 2008. In rural areas, the percentage of wasted children has been steadily declining from 5.5 percent in 2000 to one percent in 2006 but increased to three percent in 2007 before dropping to two percent in 2008. The results reveal that there is a more significant decline in the levels of underweight children in rural areas than in urban.

The trend reveals that childhood mortality rate is improving over time. Infant mortality rate declined by forty-three percent from 1996 to 2004. There were also some improvements in the proportion of births attended by skilled health personnel between 2006 and 2007. The proportion increased from 60 percent to 66 percent during the period. However, the rural-urban variation remains high. Fertility level in the country remains high. In 2004, the average number of children per woman was six.

There is an improvement in the usage of insecticide treated mosquito nets among under-five children and pregnant women. More than four out of ten households reported ownership of a mosquito net in 2007 and 45 percent of children under-five slept under a net. This is just over four times as many as in 2000. The prevalence of Human Immunodeficiency Virus (HIV) among pregnant women increased gradually during the 1990's, reaching 24 percent in 1998. But later the rate declined to approximately 20 percent. The general prevalence rate (15-49 years) now seems to be about 14 percent.

Generally, there has been an improvement in access to safe water in the country. The improvement however is higher for rural than urban areas. In urban areas, Water Boards are failing to meet the growing water demand. On the other hand, people in rural areas travel long distances to access drinking water compared to urban areas. On the part of sanitation, most households in the country are using traditional pit latrines and poor waste disposal facilities which are not of international standards.

All the survey reports used in this analysis indicate that over 95 percent of the households use solid fuels for cooking with a small proportion, mostly in urban areas, using electricity. The widespread use of solid fuels for cooking poses a great threat on the environment, in addition to causing air pollution and health hazards to the population.
CHAPTER 1: INTRODUCTION

Wealth Creation through sustainable economic growth is the key emphasis in the current national development strategy. The government is also committed to achieve the millennium development goal of halving, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.

This report brings together results from several different surveys conducted in recent years to present poverty trends in Malawi. Tracking poverty trends over time can serve as an important base for decision-making and policy formulation. Poverty trends can be used to map progress towards development objectives and can inform decision makers about future interventions based on solid evidence of what works or does not work. The interpretation of poverty trends should be done with caution. This is due to the fact that agriculture is the economic backbone of the country, variations in rainfall can sharply impact the yearly poverty rate despite the prevalence of good agricultural policies like the input subsidy programme. There should not be over emphasis on annual changes in rates from one year to the other as real development is best observed over a protracted period of time.

For the past four years, progress in reducing poverty has moved faster when compared to the years between 1998 to 2004. The first household survey in 1998 measured the poverty rate to be 54 percent. Seven years later, the second household survey showed the poverty rate to be 52 percent. The period 2005 – 2008 has displayed a strong 12 percent drop in poverty, down to 40 percent. The projection of 12 percent reduction in four years suggests a level well below the 27 percent MDG target of 2015. However there are reasons which might lead to this large drop in poverty level such as favourable climate conditions. Moreover, real welfare changes are not always mapped directly into measured poverty. It is assumed that the use of the headcount ratio as a poverty measure may have reinforced the real welfare changes that took place from 2004 to 2008. In 2008, the share of the population which lived in ultra-poverty had dropped to 15 percent. Poverty is still high in rural areas compared to urban areas and the South is still the poorest region.

No single indicator can adequately capture all dimensions of poverty. This report uses both economic and social indicators in order to illustrate material and non-material poverty. Economic indicators such as per capita income and consumption capture material poverty. Social indicators are important tools for evaluating how well a country is developing in key areas such as health, education, crime or nutrition. Social indicators presented in this report were selected to serve the needs of the then Malawi Poverty Reduction Strategy (MPRS 2002 -05), the current Malawi Growth and

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<td>- Housing and Population Census 1998 and 2008</td>
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<td>- Demographic and Health Surveys(DHS) 1992, 1996, 2000 and 2004</td>
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<tr>
<td>- Core Welfare Indicator Questionnaire(CWIQ) 2002</td>
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Development Strategy (MGDS 20006-11) and the Millenium Development Goals (2000-2015). Other indicators have been added to broaden the analysis.

The report draws on results from a broad range of surveys. The two most recent are the 2008 Welfare Monitoring Survey and the Housing and Population Census. Other surveys used include Integrated Household Surveys, Demographic and Health Surveys and the Core Welfare Indicator Questionnaire.

Using a range of different household surveys raises several methodological challenges which include the comparability of surveys, use of definitions and methodology, reporting of results. The report endeavors to leave out include observations that were considered incompatible with other survey results.

This report is primarily intended for informed users and the general public. The report relies on simple tables, graphs and maps to present the results. Efforts have been made to limit discussions of methodology and technical definitions. Readers who want to have a closer look at the methods and calculations of the figures are referred to the underlying surveys, which can be obtained from the National Statistics Office of Malawi.
CHAPTER 2: POVERTY

Eradicating extreme poverty is set as the first of the eight MDG goals. The proportion of people below the poverty line (poverty head count) is one of the indicators used to measure this goal. The indicator refers to the “incidence of poverty”. Using 1990 as a baseline, the poverty headcount in Malawi was 54 percent. Based on the 1998 and 2004 IHS surveys, the 2004 linear projection for the 2015 poverty headcount is 51 percent, whereas the actual MDG target is 27 percent.

While this target seemed completely unattainable in 2004 when IHS data was used, recent data from the 2008 WMS estimates national poverty at 40 percent which is not different from the 2007 WMS estimates. A linear projection based on the 12 percent reduction of poverty during the four year period, suggest a poverty level well below MDG target of 27 percent in 2015. However, it can be argued that the recent drop in poverty is due to a favourable combination of human controlled and non-controlled factors, such as weather conditions, rather than more profound changes in the country’s economic structure. With the implementation of programmes like Agriculture subsidy, irrigation initiatives, development funds and support to orphans and other vulnerable children, it is expected that the 2015 target will be met.

### MDG poverty reduction target for Malawi and its achievement

- 1990 level: 54%
- 2015 MDG target: 27%
- 2004 poverty level: 52%
- 2004 projection for 2015: 51%
- 2004-2008: 12% drop, down to 40%

2.1 Dimensions of Poverty and Measurement

There are different dimensions of poverty and they include material poverty which is characterized by low income, low consumption levels and a few assets. Non-material poverty is associated with poor health, low or no education, social exclusion, insecurity and/ or lack of freedom and voice. This chapter focuses on recent trends in money-metric poverty.

Measurement of poverty requires some preparatory steps: First, one must develop a welfare indicator to assess and compare well-being. In this chapter that indicator will be consumption expenditure per capita.

The second step is to identify the poor. We do this by establishing a poverty line, which represents a cut-off point for a “minimum acceptable standard” for the chosen welfare indicator. In the IHS2, a poverty line of MK16, 165 per person per year was used. This comprised of the costs of having enough food to reach a specific amount of calories and a corresponding level of non-food goods and services.

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1 There was also an input subsidy program to smallholder farmers
2 Poverty is presented for individuals, but in practice measured for households. Here, in line with the common practice, a “poor person” is defined as one living in a poor household. Hence, it is implicit that every individual receives a “fair” share of the household’s resources. However, this is often not the case. In reality, there are probably more poor women and children than simply the sum of women and children living in poor households. The main challenge for entering into this “black box” of intra-household allocation is to gather reliable quantitative evidence. It is extremely difficult to measure individual consumption, in particular of food, which is the most heavy component in “private” consumption.
Those who live below the poverty line are called “poor”, while those who are above the line are called “non-poor”. This simple division reflects an important qualitative difference between being poor and being non-poor. Being below the poverty line implies having insufficient means to cover basic needs. Continued state of poverty is assumed to have damaging and irreversible effects for those concerned.

Third, one must decide on a poverty measure. The most basic poverty measure, thus chosen as the first indicator on the MDG poverty goal, is the Poverty Headcount, which simply measures the share of the population that falls below the poverty line. Another indicator for MDG Goal 1, is the poverty gap, which displays how far the poor are from the poverty line³.

### 2.2 Decreasing Poverty levels after a prolonged static period

Malawi has a high number of ‘absolutely’ poor people. Poverty is most pervasive in rural areas, both in absolute and relative terms⁴. Between 1998 and 2004, there was a relatively small decline in poverty levels from 54 to 52 percent. The poverty rate was estimated at 50 percent in the 2005 WMS and then it dropped to 40 percent during the 2007 WMS. The level has not changed in the 2008 WMS.

Since 2004, observed poverty has declined in rural areas more than urban localities. Figure 2.1 below shows poverty measured through the headcount ratio using the 2005 to 2008 WMS. The survey indicates that poverty level in urban has increased from 11 percent in 2007 to 13 percent in 2008.

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³ All poverty calculations are adjusted for variations between households’ size and composition and price variations in time and space

⁴ The “Urban” category comprises the cities of Mzuzu, Lilongwe, Blantyre and Zomba
“Ultra-poverty” is a situation of high deprivation. Starting from a much lower level, at 24 percent in 1998, the national proportion of ultra-poor developed in a similar pattern. The national decrease in the share of both poor and ultra-poor was stronger in urban than in rural communities from 2006 to 2007.

Figure 2.2 : National, Urban and Rural Ultra-poverty Rates 2005 -2008

- Ultra-poverty level declined from 2005 to 2007 but has remained the same in 2008
- The number of urban ultra-poor diminished strongly from 2005 to 2007 but has increased in 2008

Poverty has been decreasing, after a long static period in the previous years up to 2004, see figure 2.1 and 2.2 above. Most likely there has been a real change. Malawi’s economy is highly dependent on agriculture, and whereas both the 2003/2004 and the 2004/2005
seasons’ harvest were low as a result of droughts, the harvest from 2005/2006 to 2008/2009 seasons were record high.

Figure 2.3: Distribution of Per Capita Consumption Expenditure in 2005

Sensitive poverty measure

- Large observed poverty reduction also due to the use of the “headcount ratio”
- The red vertical lines are the poverty and ultra-poverty lines
- Many households and individuals were positioned just below the poverty line
- The bumper harvests in 2006 and 2007 brought many households just across the poverty line

Figure 2.3 illustrates how some of the observed poverty reduction could be due to the use of ‘headcount’ ratio as poverty measure.

Source: World Bank, 2006
2.3 Why does urban and rural poverty seem to develop differently?

The last observation point for 2007 showed that the number of poor and ultra-poor was decreasing more rapidly in urban than rural areas. The decrease was particularly high in Lilongwe. This is due to a number of factors. Some of them are substantive and others depend on how one defines and measures poverty.

First, one would expect that a good harvest is most beneficial to the rural poor. Second, as shown by Figure 2.3, the poverty measure is very sensitive since many households are close to the poverty line. Third, there may be urban-rural differences in consumption behaviour. Fourth, urban-rural migration affects urban poverty. Finally, there is a small possibility that observed changes are due to random statistical variation.

Poverty is highest among subsistence farmers, both in relative and absolute terms. It is encouraging that rural areas benefited most directly from the good harvest of the last few years. Poverty rates dropped more in rural areas than in urban areas until 2006. However, in 2007, the observed decrease in poverty was much higher (14 percent) in urban areas. The use of the headcount ratio as poverty measure may have reinforced the initial real welfare improvement that took place in the rural areas. When many persons are close to the poverty line, even relatively small real welfare changes may yield large effects on the headcount ratio poverty measure. However, this does not appear to be the case for the change from 2006 to 2007 and a repeated consumption expenditure survey is needed to provide an answer. The share of the ultra-poor among all poor in 2007 remained at 17 percent in the rural areas. In the urban areas, the same share dropped from 19 to 17 percent in 2006 and 2007 respectively.

Due to consumption smoothing, fluctuations in household incomes are usually higher than in consumption. For example in bad years, stocks are depleted to moderate the decrease in consumption, and in good years they are rebuilt, at the expense of the increase in that year’s consumption expenditure. However, it may be that this process of consumption smoothing, at least initially, took place in the cities to a larger extent than in the urban areas. Many rural poor were close to starvation in the bad years. One could then expect that the 2005-06 income increase translated more directly into increased consumption, giving less priority to rebuilding

### A good harvest is most directly benefited by the rural poor
- Poverty highest among self-subsistence farmers
- Rural areas benefited most directly from the good 2006/07 harvest
- In 2008 urban poverty was 40 percent

### Welfare changes affect our poverty measure the most when many are close to the p-line
- WMS 2005: Many rural households were close to the poverty line
- Most urban households were further away from the poverty line
- Share of ultra-poor among poor is falling in urban area

### Urban-rural differences in consumption behaviour
- Generally larger fluctuations in incomes than in consumption
- Stocks are depleted in bad years and rebuilt in good years
- Possible that 2005-2006 rebuilding of stocks took place to a larger extent in urban areas
- In rural areas, many were close to starvation and the 2005-06 improvement may have been translated more directly into consumption
stocks. Since our poverty measure is based on consumption expenditure rather than incomes, the same increase in incomes, lead to smaller reduction of measured poverty in urban than in rural areas in 2007.

The World Bank (2006) noted that urban poverty had been rapidly increasing from 1998 to 2004, and that there was anecdotal information about a substantial increase in migration from rural areas into urban areas. However, if some of the worst-off urban slum dwellers returned to their villages after the good harvest in 2006, this is consistent with the observed drop in urban ultra-poverty rates from 2005 to 2007. Reversed urban-rural migration patterns following the good 2006 and 2007 harvests may thus have been a contributing factor. In the rural areas, the harvest increase may have been so high that could even offset the negative impact of the low-endowed migrants returning from the urban slums.

Summing up this section, there may be several reasons to believe that the recent observed drop in predicted poverty reflects a real substantial improvement in the welfare of the population. Effects from rural-urban and urban-rural migration, which also cause individuals to change their classification, may also play a role. In particular, the results for the relatively small urban group may be affected. Moreover, it has been argued that the use of a poverty line based on consumption expenditure, and the use of the headcount ratio as the poverty measure, may have reinforced the measured rural poverty decrease.  

2.4 Regional Poverty Trends

Among the three regions of the country, the Southern Region has consistently reported the highest poverty rate, followed by the Northern Region and then finally the Central Region. The recent downward national trend in poverty is present in all three Regions, see Figure 2.4 below. From 2005 to 2006 all regional poverty measures decreased. However, in 2007 poverty fell only in the Southern and Central Regions, and even slightly increased in the Northern Region.

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Urban-rural migration affects measured poverty

- Assume some urban slum dwellers returned to rural areas following the good harvest in 2006
- This would be consistent with the observed drop in urban ultra-poverty rates from 2005 to 2007

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5 An implication is that these effects may be reversed in bad agricultural seasons.
When urban areas are taken out, the uniform downward rural trend in poverty becomes less strong, see Figure 2.5 below. Due to a large decline in urban poverty from 2006 to 2007, the urban-rural poverty gap, measured in percentage points, is almost back to the 1998 level. For the Rural South, the distance to the urban poverty rate dropped from almost 50 percentage points in 1998 to 30 percent in 2006, but then went up again to 40 percentage points in 2007.
The observed poverty trend is, as mentioned above, consistent with a migration pattern where some underprivileged rural poor who sought better opportunities in the cities are now returning due to improved opportunities in agriculture. Future harvest failures may again reverse this pattern. A strong focus on urban poverty alleviation efforts may even increase urban poverty, because more rural poor would be attracted to the cities. Paradoxically, successful urban anti-poverty measures may then yield a reduction in rural poverty, rather than in urban poverty.

Switching the attention to the ultra-poor, Figure 2.6 shows that there has been fairly dramatic decrease in ultra-poverty in the North i.e. from 18 percent in 2007 to 11 percent in 2008. The Southern Region still has the highest share of ultra-poor, but the Northern Region is closing up. While the share of ultra-poor among all poor decreased in all Regions, it has now flattened out at a level of around 40 percent in all three Regions.

### Rural South has highest poverty according to all measures
- Combined with a high population share, this region also has the highest absolute number of poor
- Poverty is steadily decreasing also here
- In 2007 poverty was increasing in the Northern Region
- Share of poor who is ultra-poor flattened out at around 40% in all Regions
Figure 2.6: Regional *Ultra*-poverty Rates 2005 - 2008

- Share of ultra-poor decreased in all regions until 2006
- A dramatic decrease in ultra-poverty in the Northern region continued in 2008 to 11 percent
- Southern Region still has the highest share of ultra-poor


As for the ordinary poverty ratio, the uniform regional decrease in ultra-poverty is also weakened when it is controlled for urban-rural residence. Between 2004 and 2005, there was a decrease in the ultra-poverty share only in the Northern and Central rural areas. However, from 2005 to 2006, a decrease can be observed in all regions. From 2007 to 2008, *ultra*-poverty reduction is only clear in the Northern rural area, and there is even a slight increase in both Central and Southern rural areas. As already showed above, it is all the urban areas that benefited most from a strong reduction in ultra-poverty.

### 2.5 Urban Poverty Trends

Urban areas tend to be much more heterogeneous than rural areas. Whereas rural areas are all dominated by small scale subsistence agriculture, there is much larger differentiation in the cities. The two major cities, Lilongwe and Blantyre include both some of the richest and poorest localities, see Figure 2.7 below.

**Urban areas are more heterogeneous**

- Rural areas dominated by small scale subsistence agriculture
- Much larger economic differentiation in the cities
- Lilongwe and Blantyre, include both some of the richest and poorest localities in the country
Figure 2.7: Map of Poverty Headcount in Urban Areas, IHS2 2004/05

Whereas urban poverty has decreased in the Northern and Southern Regions, it showed an increasing tendency in the Capital City until 2006, see Figure 2.8. However, between 2006 and 2007, there was a strong reduction in poverty both in the Capital City and Blantyre/Zomba Cities. In Mzuzu, on the other hand, there was little change, corresponding to the general development for the Northern region.
Rural-urban migration of the poor people could be a factor affecting changes in the urban poverty level in places such as Lilongwe. If a picture is drawn back to IHS1 in 1998, it can be noted that although national poverty decreased slightly from 1998 to 2004, “urban” poverty increased. For instance, Blantyre witnessed a slight increase in poverty. Similarly, Lilongwe experienced a huge increase in poverty level during the same period.

This increase can be explained by development activities in Lilongwe that attracted unskilled labour force from rural areas which saw the City’s poverty rate more than quadruple in 6 years. This implies that the movement of the rural poor to cities strongly affect urban poverty rates. (A rural to urban migration of poor simply makes the poor more

Source: World Bank Malawi Poverty and Vulnerability Assessment 2006

Source: IHS1, IHS2 & MWS 2007
visible in Malawian statistics, when results are presented by urban-rural location). However, this was not the case for the smaller cities of Mzuzu and Zomba.

A final piece of evidence is provided by the geographical pattern of changes in the gender ratios between the 1998 and 2008 Population and Housing Censuses, see Figure 2.10 below. The Malawi national figure for males per 1000 females is, as in most societies, well below 1000 and there is little national change since 1998. Areas growing rapidly through in-migration tend to have a higher male/female ratio than others, because the typical migration pattern comprises a first wave of young males, who then either remain in the city alone, or is followed by their families. In accordance with this, in 1998, there was a clear male surplus in both Blantyre and Lilongwe, in particular when one compares with their rural hinterland (“Blantyre Rural” and “Lilongwe Rural”). Although this basic pattern was still found in the 2008 Population and Housing Census, the male surplus in both cities had now dropped substantially. This either indicates a return of poor male migrants from urban to rural areas, as conditions there improve. At least it indicates that the rural-urban migration may be less strong than before.

![Figure 2.10: Males per 1000 Females by Major Cities](image)


### 2.6 Rural District Poverty Trends

Whereas migration may affect urban poverty rates quite strongly, they have little effect on rural poverty figures because of the strong rural population dominance in the country. Large sample sizes in IHS1 and IHS2, as well as in WMS 2007 allowed for a calculation of poverty by district. Since urban-rural differences are so large, this section deals with rural districts only. Results are presented by regions, although the high number of rural districts in the Central and Southern Regions imply that each of these Regions were split up into two graphs. It is also worth noting that the 1998 and 2004 poverty rates were based on an annual consumption aggregate, where as the 2007 poverty rates were estimated by a statistical correlation model.

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6 However, one must admit that the time span of 10 years is fairly long to interpret intermediate factors. Else, the strong natural population growth (above 30%) during the 10 year period will in itself cause an equalization of the district’s gender balance. As soon as migration flows cease, the district gender balances will approach the national gender balance.

7 WMS 2005 and WMS 2006 had too small sample sizes to allow for district estimates.
All *Northern rural districts* had lower poverty levels in 2007 than in 2004, see Figure 2.11 below. For some districts (Karonga, Nkhata Bay and Rumphi), there had been a continuous decrease in poverty since 1998. However, for Chitipa and Mzimba, poverty increased between 1998 and 2004 and fell in 2007.

**Figure 2.11: Poverty in Rural Districts in Northern Region**

- All Northern rural districts had lower poverty levels in 2007 than in 2004
- In some districts poverty rose between 1998 and 2004
- In some districts poverty has been falling

Source: IHS1, IHS2 & WMS 2007
All Central rural districts, except Dowa, experienced significant decrease in poverty between 2004 and 2007, see Figures 2.12 above and 2.13 below. However, the clear regional rural poverty rate decrease each year since 2005 gives reason to believe that this decrease reflects a stable pattern of decreasing rural poverty in these districts. As in the Northern Region, 60 percent of the districts witnessed a decrease in poverty between 1998 and 2008. In the Central region, Kasungu, Nkhotakota, Salima, Lilongwe Rural and Mchinji had either an increase in poverty levels or remained unchanged between 1998 and 2004 while Dowa, Ntcheu and Ntchisi experienced a considerable reduction in poverty level during the same period.
Finally, all seven districts under study from Southern region showed a decreasing trend in district poverty levels from 2004 to 2008, see Figure 2.14 above and 2.15 below. In addition, the reduction in poverty was considerable in all districts except for Mulanje. However, further analysis reveals that three out of seven districts had an increase in poverty levels between 1998 and 2004, with Chikwawa district experiencing the largest increase.

It should also be noted that the newly published 2008 Malawi Population and Housing Census can be linked to IHS2 to serve as the basis for “poverty mapping” on a much more detailed geographical level, allowing for detection of pockets of poverty, even below the district level.
2.7 Lessons on poverty trends

The 12 percent drop in poverty level from 2004 to 2007 suggests that a poverty level well below 20 percent in 2015 can be achieved, hence fulfilling the 2015 MDG target of 27 percent. However, there are good reasons to believe that much of the recent drop in poverty is partly due to favorable weather conditions that one cannot reasonably predict in future.

Poverty is more prevalent in rural areas, but overall poverty continued to decrease, from 2006 to 2007 most strongly in urban areas. The rural South has the highest poverty share. A high national population share makes this Region also having the highest absolute number of poor in the country. The Northern Region did not experience poverty level decrease from 2006 to 2007.

Rural and urban poverty are probably strongly interlinked through migration. Recent 2008 Census results also show that the male surplus in Blantyre and Lilongwe has dropped since the 1998 Census. The urban-rural poverty gap has diminished since 1998, but is now rising again due to the sharp drop in urban poverty. The “average” urban poverty figures disguise the poverty pockets found in urban slums.
CHAPTER 3: Education

Education is key to the economic development of a nation. It yields broad social-economic benefits and is also an instrument for empowering the poor, the weak and the voiceless.

Achievement of universal primary education is one of the eight millennium development goals. Educating children helps to build the knowledge necessary to eliminate poverty and hunger, combat disease and ensure environmental sustainability. This goal is linked to gender parity since by definition universal primary education requires gender parity. This is cognisance of the fact that gender parity in primary education is of limited worth if only a few children of either sex participate. Within the goal, the report covers several indicators, namely: literacy rate, net attendance ratio, enrolment ratio and primary completion ratio.

In Malawi, a number of reforms are currently being implemented in order to improve the access, retention, quality and relevance of education. Among other things, construction of additional classrooms, training of more teachers and upgrading of existing under-qualified ones, are the priority areas being implemented. Emphasis under education has been on all levels from pre-schools to tertiary level. Under primary education, the current government's goal is to equip students with basic knowledge and skills to enable them function as competent and productive citizens. The expected medium term outcome is to substantially reduce absenteeism, repetition rate and dropout rates.

In summary, there has been an increase in literacy rate in the country and the difference between males and female literacy rates is decreasing. Urban literacy rates have decreased when compared to rural areas. Urban enrolment rate in primary school has declined when compared to the rural. But there is a reduction in drop out rates for primary school in both urban and rural. Also the number of people who have not attended any formal education has decreased.
3.1 Increasing Literacy

Literacy level affects human capital availability in a country. It also affects the participation of men and women in every aspect of development in the society. Literacy rates for the 15-24 year olds has increased over the period 2004-2008.

**Figure 3.1: Literacy Rate**

![Literacy Rates Chart]


The country has witnessed a moderate increase in literacy levels for both males and females since 2004, Figure 3.1 above, but the literacy rate is higher for males at 85 percent compared to 80 percent for females. Currently, the national literacy level rate is estimated at 82 percent and it has not changed since 2007.

3.2 Literacy Rate Declining in Urban Areas

The current literacy rate in the urban areas is at 91 percent. There has been an improvement in literacy rates i.e. from 83 percent to 91 percent between 2006 and 2008, Figure 3.2 below. The urban rate had initially declined from 90.5 in 2002 to 83 percent in 2006.
The past decline in urban rate from 2002 to 2006 could be associated to rural-urban migration in search of good opportunities in off-farm activities. Overall, the urban rate is higher than the rural rate. The gap between urban and rural literacy rates has decreased from 32 percentage points in 2002 to 16 percentage point in 2008. The male literacy rate was higher than the female literacy rates both in urban and rural areas. However, the gender gap in literacy is much smaller in urban than in rural areas.
3.3 Increasing Education Attendance

Many people in the country have at least attended some form of education. The majority of people have attended primary school level, less for secondary level. The attendance in secondary school has been increasing from the year 2002 to 2004. However, the attendance rate started declining after 2004, from 24 percent, and is currently at 15 percent.

**Figure 3.3: Primary School Education Attendance**

- Highest education attended implies that a person has completed at least one year of education at a level specified in the education categories
- Number of people who have never attended any formal education is declining.


The attendance in some form of education has a link to the literacy rate, which is also improving, in the country.
3.4 Declining Net Enrolment Rate

The National Net Enrolment Rate has not taken a consistent pattern since 2004. It has been. In 2007, the enrolment rate was at 75 percent. However, between 2007 to 2008 period, the National Net Enrolment Rate improved and it is currently estimated at about 79 percent, Figure 3.4, below.

**Figure 3.4: Primary Net Enrolment Rate**

![Graph showing net enrolment rate for girls and boys from 2004 to 2008.]

- Net enrolment rate for girls has always been higher than for boys.
- The rate has marginally dropped from 80 percent in 2004 to 79 percent in 2008.


The past decline in the net enrolment rate could be attributed to an increase in number of orphans in the country, which are not attending school. General poverty problems in the households might also be another reason for declining net enrolment rate. The net enrolment rate is slightly higher for females than for males. The rate for girls was at 80 percent while that of boys is at 78 percent as of 2008. The net enrolment rate increased with the level of education of household head for both sexes. It was higher in urban than in rural areas, also for both sexes.

3.5 Improving Urban and Rural Enrolment Rates

For the years before 2004, the net enrolment rate for the urban was higher than that for the rural and the trend for both urban and rural was slightly moving upwards.
There was a large drop in enrolment rate from the year 2005 to 2006 for both urban and rural. However, this trend reversed in 2007 for both urban and rural.

3.6 Gross Enrolment Rate

The gross enrolment rate in the country has improved since 2006. The rate was at 86 percent in 2006 but increased to 121 percent in 2008, Figure 3.7 below. This increase in gross enrolment rate is attributed to resuscitation of the school feeding programme.
As is the case with net enrolment rate, the gross enrolment rate for girls is higher than that of boys as shown in Figure 3.6 above.

### 3.7 Slight Increase in Drop Out Rate in Primary School

The drop out rate has slightly increased in 2008 compared to 2007. The current drop out rate is at 3 percent compared to 2 percent in 2007. But these rates are much lower than the 4.4 percent recorded in 2004. As indicated in WMS 2007 and 2008, the drop out rate did not vary according to sex or sex of household head, but seemed to decrease a bit with increased educational level of the household head. There is no difference between male and female drop out rates as was the case in the past years when the rates for females was always higher.
The current policies and programmes such as school feeding which is aimed at encouraging pupils to stay in school is helping to reduce the drop out rates.

### 3.8 Drop Out Rate in Rural Areas is High Compared to Urban Areas

There is a high drop out rate in rural areas as compared to urban areas. However the difference between the rural and urban decreased in 2005 when compared to 2004.

### Figure 3.8: Urban-Rural Dropout Rates

The difference between urban and rural dropout rate increased in 2008 when compared to 2007, from one to two percent points, Figure 3.9 above.
Chapter 4: HEALTH AND NUTRITION

A healthy population is necessary to achieve sustainable economic growth (MGDS, 2006). The trend of Malawi’s health and nutritional status based on health indicators such as maternal mortality rate, child mortality rate, child malnutrition and fertility rate shows little signs of improvements.

4.1 Nutrition Status of Under-five Children

Nutrition status is an important health indicator as it allows evaluation of the susceptibility of the population to disease and impaired mental development. The nutritional well being of young children reflects household, community, and national investment in family health and it contributes to the country’s development. Three standard indicators of growth of children are used in this report, based on the relationship between height, weight and age. The indicators are height-for-age, weight-for-height and weight-for-age.

4.1.1 Stunting

The proportion of under-five children that are stunted has been declining over the years, particularly in rural areas, see Figure 4.1 below. The reason for this improvement is partly attributed to good harvests as a result of the government input subsidy programme and good rainfall in the country.

Figure 4.1: Proportion of Stunted Under-five Children

![Figure 4.1: Proportion of Stunted Under-five Children](image)


In 2005, the country had 43 percent of under-five who were stunted but the number declined to 36 percent in 2008. The levels of stunting among under-five in urban also slightly decreased between 2007 and 2008. This is in contrast to the increasing trend which was recorded between 2006 and 2007.

A child is considered **stunted** if he is too short for his age (height-for-age), which indicates chronic under-nutrition, typically due to poor nutrition over extended period.
The rise in levels of stunting among under-five children in the urban areas between 2006 and 2007 might have been a result of rural-urban migration and low humanitarian interventions in urban areas.

4.1.2 Wasting

The proportion of wasted children in Malawi remained at 1 percent during the period between 2005 and 2006. However, the situation changed in 2007 where the proportion of wasted increased to 3 percent. The problem of wasting was more prominent in urban areas as compared to the rural areas. This increase might be because of rural-urban migration in bad years in search of employment.

Weight-for-height assesses a child’s current nutritional status. A child who is considered too thin for his/her height is wasted, a condition reflecting an acute or recent nutritional deficit.

Figure 4.2: Proportion of Wasted Under-five Children

- The proportion of wasted children was about 1 percent in both 2005 and 2006
- WMS 2008 indicates zero proportion of wasted children in urban which might be due to data problems.

In 2007, urban areas had a highest proportion of wasted children i.e. 4 percent while rural areas had 3 percent. The situation improved in 2008 and Figure 4.2 above indicates that only 2 percent of children were wasted in the country and the rural areas also had 2 percent.

4.1.3 Underweight

Underweight (weight-for-age) is the measure of both acute and chronic malnutrition.
The proportion of underweight children in the country improved from 18 percent in 2005 to 14 percent in 2007 but increased to 16 percent in 2008, see Figure 4.3 above. Rural areas have always recorded higher proportion of underweight children compared to urban areas. In 2008, the rural areas recorded 17 percent of underweight children while urban areas had 9 percent.

4.2 Childhood Mortality

One of the overarching goal of MGDS is to reduce infant and under-five mortality rate. Infant mortality rate has been declining over the years especially from 1995 to 2004. The most important background variable seems to be urban-rural migration, reflecting better access to health services in urban areas. This drop can also be contributed to increased usage of treated mosquito nets.

**Infant Mortality rate** is the number of children dying before the first birthday, per 1,000 live births.  
**Under-Five Mortality rate** is the number of children dying before the fifth birthday, per 1,000 live births.
Figure 4.4: Infant Mortality Rate

In general, the trend for infant mortality rate is improving over time. In 2000, about 110 out of 1000 under five children died while in 2004, about 75 out of 1000 under five children died. This might be attributed to the decline in HIV and AIDS prevalence among pregnant women and increased adoption in the usage of insecticide treated mosquito nets.

4.3 Improved Maternal Health

Malawi, like many other developing countries, experience complications of pregnancy and childbirth as leading cause of death and disability among women of reproductive age. The goal of improving maternal health is measured by two indicators, namely proportion of births attended by skilled health personnel and maternal mortality ratio. Maternal mortality is defined as the death of a woman from pregnancy-related causes, when pregnant or within 42 days of termination of pregnancy.

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8 The trend in figures 22 and 23 ends in 2004 because the infant and under-five mortality rates can not be calculated from the WMS.
The maternal mortality rate increased from 620 deaths per 100,000 live births in 1992 to 1,120 deaths per 100,000 live births in 2000, see Figure 4.7 above. However, it decreased to 984 deaths per 100,000 live births in 2004. This improvement had been maintained through the year 2006 with a recorded decrease to 807 deaths per 100,000 live births. The decline in maternal deaths is attributed to improved and increased health services in the country. But it is still very far from the MDG target of 155 in 2015.

4.4 Proportion of Births Attended by Skilled Personnel

The proportion of births attended by skilled personnel shows signs of improvement. The proportion has increased to 66 percent in 2007 from 60 percent in 2005, see Figure 4.8 below. The difference between urban and rural remains high with the urban registering high proportions. This reflects that the urban population has better access to highly trained delivery assistance personnel than in the rural areas. Furthermore, the urban population has better access to medical facilities.
Births attended by skilled personnel remained at 65 percent across time under review. In urban areas, only 10 percent of the births, compared to 34 percent in rural area were not attended by a skilled health personnel.

4.5 Total Fertility Rate

The fertility rate is still high. On average, the number of children per woman is 6 (DHS, 2004). Rural areas have a fertility rate of 6.4 per woman while urban areas have 4.2 per woman.

4.6 Malaria Prevalence

Malaria is a major cause of death among children and pregnant women. It is therefore important to protect children and pregnant women by using mosquito nets. Recent campaigns to increase the use of bed nets seem to have been successful.
The number of households using mosquito nets has been increasing over the period, see Figure 4.7 above. In 2005, only 15 percent of under-five slept under a mosquito net and this increased to 52 percent in 2007. This might translate into a further decline in the infant and under-five mortality rates.

About 62 percent of households slept under a net in urban areas and in households where mother has secondary education and above. The 3 percent decrease in the number of households sleeping under the mosquito net in urban area between 2006 and 2007 might be because households in urban areas were using other preventative measures to prevent malaria like insecticides and mosquito repellent.

### 4.7 Prevalence of HIV and AIDS

The prevalence of HIV and AIDS among pregnant women increased only gradually during the 1990s reaching 24 percent in 1998. But later the rate declined to approximately 20 percent. The general prevalence rate (15-49 years) now seems to be about 14 percent (National AIDS Commission 2003). HIV/AIDS prevalence is about 23 percent in urban areas and 12 percent in rural areas. The majority of HIV and AIDS cases are women i.e. 58 percent.

Given such a sharp and dramatic increase, people's knowledge and attitudes are essential in fighting the spread of the disease. Most people seem to have sufficient knowledge about the spread of HIV. As of to date, eight out of ten know that a healthy looking person may transfer HIV. However, only five out of ten say they know that using condoms gives protection against infection. Knowledge and awareness of HIV/AIDS seems to be somewhat more widespread among
people in the age group 15-49, which is also the most sexually active group. Education and urban residence increases awareness in this area.

However, not many people are practicing preventive measures. About 9 percent reported using a condom during the last 12 months in 2000, up from 4 percent in 1996. And even when it comes to so-called high-risk sex among the young (16-24 of age), just over one-third report using a condom. This indicates that knowledge does not necessarily lead to preventative actions and changes in behaviour.

4.8 Immunization

Contacting measles at a young age is potentially life threatening, especially in malnourished children. Immunization against measles also signifies the end of the immunization scheme. Hence, one may generally assume that those immunized against measles have followed the rest of the immunization scheme.

Figure 4.8: Proportion Immunized Against Measles

In Figure 4.8, the proportion of children 12 – 23 months who were fully immunised shows a slightly declining trend after 1996 to date. After increasing until 1996, when 9 out of 10 children were immunized against measles, the rate dropped to 8 out of 10 children. The drop might be because of inadequate campaigns regarding immunization.
Improving access to clean, portable, safe water and good sanitation is one of the key priority areas in the Malawi Growth and Development Strategy (MGDS) which will help to achieve the millennium development goals (MDGs). For a nation to have a healthy population, there is need for access to safe water and good sanitation which is also a prerequisite for meaningful socioeconomic development.

There has been a great improvement in access to safe drinking water in both rural and urban areas in the country over the past years. This has been due to government commitment and support from various stakeholders in providing safe water to general public. In this report, three indicators have been considered under water and sanitation as outlined below.
5.1 Access to Safe Drinking Water is Improving in Rural Areas

Most water borne diseases which are fatal like cholera, typhoid fever and dysentery that are prevalent in unprotected water sources can be avoided if communities have access to or are provided with safe drinking water.

**Definition:** “Safe drinking water” refers to piped water, water from communal or private standpipes, boreholes, protected wells and rainwater. On the other hand, water from sources like unprotected wells and surface water (springs, ponds, lake and rivers) is considered to be unsafe.

Water Supply in Rural Schools

The proportion of households with access to safe drinking water slightly decreased in 2008 from 81 percent to 80 percent despite an increase between 2005 and 2007, see Figure 5.1 below. The increase in 2005 was as a result of an increase in number of boreholes drilled and an increase in water connections by the five Urban Water Boards in the country.
In most rural areas, the percentage also slightly decreased to 78 percent. This decrease was attributed to failure in maintaining boreholes by communities and environmental degradation which results in lowering the water table. Despite this decrease, government is still committed to provide safe water to rural masses by drilling more boreholes and establishment of rural water supply projects.

5.2 Rural People Access Drinking Water

Compared with urban areas, in most rural areas people walk long distances to fetch clean water for household use. On average, people take approximately 7 minutes to reach the nearest water source in rural areas compared to 3 minutes in urban areas. There has been an improvement in the distance which people walk to fetch water.

As indicated in Figure 5.2 below, there has been a decline in the distance which people walk to fetch water, an indication that more water points have been provided in most communities for easy access to clean water.

**Figure 5.2: Share of Households Walking More than 30 Minutes to Main Source of Drinking Water**

- A higher proportion of households that take more than thirty minutes to access drinking water are found in the remotest parts of the country.
- In urban areas, households that take more than 30 minutes to access water are found in slum locations. On the other hand due to low water pressure on communal water pipes, people wait for a long time to get water.

Source: WMS 2005, 2006 and 2006
5.3 Access to Improved Sanitation

Many households in urban areas dispose their wastes in public rubbish heap and this contributes to poor sanitation, while in rural areas, the most common means of waste disposal is the use of rubbish pit. The use of traditional pit latrines is still common in both rural and urban areas. It has been noted that most Malawian households do not have modern sanitation facilities.

Figure 5.3 below indicates that the level of household with access to improved sanitation remained constant between 2005 and 2006.

**Figure 5.3: Share of Households with Access to Improved Sanitation**

![Graph showing access to improved sanitation](image)


**Definition:** Improved sanitation refers to having flush toilet, VIP toilet or traditional latrine with a roof. In addition, this shall also include having safe disposal facilities.
Chapter 6: Energy and Environment

The demand for energy consumption for both domestic and industrial consumption is increasing. This has put pressure on existing energy sources and has prompted government to find alternative sources of energy to meet the demand and reduce the negative impact that other forms of energy have on the environment. Government, through the MGDS, recognizes that the provision of energy is inadequate, inaccessible and unreliable. Transformation of the economy into a manufacturing one entails more energy demand. Government therefore wishes to build national capacity to generate sufficient amount of energy to meet the economic and social demands. The use of electricity and other sources of energy will partly help to conserve the environment as households will reduce the use of solid fuels for cooking and thereby decreasing the rate of deforestation.

The proportion of households using solid fuels is very high both in rural and urban areas. This poses a big threat on the environment as deforestation is very high.

6.1 Many Households Still Using Solid Fuels for Cooking

The demand for solid fuel accounts for a large proportion of the total energy consumption. The proportion of households using charcoal is much higher in urban areas as compared to rural areas. It has been noted that the demand for wood fuel actually exceeds the sustainable supply leading to environment degradation.

Figure 6.1: Share of Households Using Solid Fuels for Cooking

There was an increase in the use of solid fuel from 2005 to 2006 by the population of the country as shown in Figure 6.1. The rate was constant from 2006 to 2008 in both urban and rural areas. One of the causes for this can be attributed to frequent blackout of electricity in urban areas. The extensive use of solid fuels for cooking has a negative impact on the environment, in addition to causing air pollution and health hazards.
In all the three regions of the country, the use of solid fuel has been on the increase, with the Northern Region leading, followed by the Central, and then Southern Region. As shown in Figure 6.2, the Northern Region had registered 92 percent of firewood use while Central region was at 86 percent and 82 percent in the Southern Region. On charcoal use, the rates were 5 percent, 11 percent and 13 percent for the Northern, Central and Southern Regions respectively.
There is a small proportion of households at the national level using electricity for cooking (less than 3 percent). In 2007, 20 percent of the households in urban areas used electricity for cooking, representing an increase of 10 percent from 2006 while as in the rural areas, only 0.5 percent of the population used electricity in 2007, see Figure 6.3 above.
References