COMMITMENT TO REDUCING INEQUALITY INDEX

Malawi County Profile, 2025

OXFAM

Malawi Economic Justice Network

Save the Children

NCA DCA
actalliance
MALAWI JOINT COUNTRY PROGRAMME

Acknowledgement

Jo Walker and Matthew Martin authored this report, with data supplied by David Waddock and Maria Holloway from Development Finance International. The report makes extensive use of the 2024 Commitment to Reducing Inequality Index, which was produced jointly by Development Finance International and Oxfam International.

It has received significant comments and contributions from several organizations including: Save the Children: Sondre Nave, Oliver Fiala, Jaime Chivite, Miya Tajima-Simpson, and John Chipeta; Swedish Council of Churches: Gunnel Nycander, Emilie Weiderud, and Lennart Hernander; Felm, Rosa Puhakainen and and Lilja Osterman; Norwegian Church Aid: Franklin Opuko, Kjetil Abildsnes, Vilde Ørnung, Silje Margrete Ander, Mwai Sandram, and Aisha Katungwe-Fatch; Malawi Economic Justice Network: Mike Banda.

This report has been produced with financial support from Save the Children Norway, Norwegian Church Aid Norway, Norwegian Church Aid and DanChurchAid Malawi and the Ministry of Foreign Affairs of Finland.

Design, layout and photography was done by Francis Botha/NCA-DCA Malawi.

Table of Contents

Preface

Bishop Martin Anwel Mtumbuka: Chairperson – Malawi Economic Justice Network (MEJN)

Malawi's tax system remains deeply unjust. It places a heavier burden on those with the least — small-scale traders, women in informal businesses, and low-income households — while wealthier individuals and corporations often benefit from lenient enforcement, outdated policies, and questionable tax incentives.

It is not unusual for a woman selling tomatoes to face aggressive tax enforcement — searched down to the last box of matches — while large businesses are barely scrutinised.

This is not only an economic issue but a moral one. A system that punishes the poor and protects the privileged cannot be called just.

Taxation should be a tool for building fairness, dignity, and opportunity — not a mechanism that deepens inequality.

Those with more must contribute more, and taxes must be used to benefit all, especially the most vulnerable.

These realities were at the heart of a recent high-level dialogue in Lilongwe hosted by the Norwegian Church Aid–DanChurchAid (NCA–DCA) Joint Country Programme.

Religious leaders and policymakers came together to explore how faith voices can advanceconomic justice.

Encouragingly, the Chairperson of the Parliamentary Budget Committee, Hon. Gladys Ganda, acknowledged the need for urgent reform in tax laws and enforcement practices.

"Tax should be collected properly, more efficiently, and equitably! Those who have more must contribute more.

Taxes must be collected and spent in a manner that benefits all — especially the most vulnerable."

This report captures the voices, insights, and shared commitments that emerged from that dialogue.

It is both a record and a call to action — to build a tax system rooted in fairness, compassion, and justice.

As faith leaders and citizens, we have a moral responsibility to speak out.

We must advocate for systems that uplift the poor, hold the powerful accountable, and reflect the values of equity and human dignity.

Only then can we build a nation where justice is not just promised, but practiced.

Bishop Martin Anwel Mtumbuka
Chairperson, Malawi Economic Justice Network (MEJN)

> *Taxation should be a tool for building fairness, dignity, and opportunity — not a mechanism that deepens inequality.*

Executive Summary

Malawi continues to face high levels of inequality. The bottom half of Malawi's population holds just 15% of national income, the same share as the top 1%, while the top 10% control half of all income. Wealth inequality is even starker: the bottom half owns just 4% of total wealth, while the top 10% hold 61%. In the 2024 Commitment to Reducing Inequality (CRI) Index,

Malawi ranks 117th globally and 9th in Southern Africa. It ranks third from the bottom in the region for public services, performing poorly globally and within sub-Saharan Africa due to underfunding of education, health and social protection and, crucially, weak coverage of these services. As a result, it performs weakly in using public services to fight inequality.

While Malawi has progressive tax laws "on paper", it collects just 22% of potential revenue due to poor enforcement. To fight inequality, more can be done to raise revenues to invest in health, education, and social protection.

Malawi scores poorly on the labour ranks, in part, because 60% of workers are not covered by labour rights legislation, minimum wages are low, and protections for women are limited.

Malawi is also in a debt crisis, with over half of government revenue now goes to debt servicing—more than the combined spending on health, education, and social protection. Recent aid cuts are likely to leave key programmes further underfunded. Without support from the international community for the cancellation of foreign debt and increased concessional finance, alongside increased domestic revenue collection and increased investment in social services, inequality will continue to block Malawi's development.

Scale of Inequality

The latest UN Sustainable Development Goals (SDG) Progress Report ranks SDG 10—Reducing Inequality—as one of the worst-performing goals.[i] Malawi fares better than some of its Southern African neighbours in income inequality, with a Gini Index[ii] of 0.5 and a Palma Ratio[iii] of 1.8, and until recently, this was also reducing[iv].

However, Southern Africa has some countries with the highest inequality levels globally. From this perspective, inequality (as measured by the Gini) in Malawi is still moderately high, and the Palma Ratio (which highlights income disparities between the bottom 40% and the top 10%) still shows that the wealthiest 10% earn nearly double the income of the poorest 40%.

Data from the World Inequality Database further reveals how the share of income is concentrated at the top: the bottom half of Malawi's population holds just 15% of national income, the same share as the top 1%, while the top 10% control half of all income.

Wealth inequality is even starker: the bottom half owns just 4% of total wealth, while the top 10% hold 61%.[v]

IMF research suggests inequality hinders economic growth when the Gini Index exceeds 0.27.[vi] At 0.5, Malawi's inequality is already likely a significant barrier to development.

High inequality has also been shown to block

poverty reduction.[vii] Despite an average economic growth rate of 4% in Malawi over three decades, this has not reduced poverty.[viii] For over a decade, about 70% of Malawians have lived below the global extreme poverty line of $2.15 per day,[ix] and this has increased since COVID-19 to 72%.[x]

Over half of the population lives below the national poverty line[xi] (70% sit above the international one[xii]).

Meanwhile, 40% of children experience multidimensional poverty[xiii] (which also looks at healthcare, education, and adequate living conditions).

Several crises, including climate change, food shortages, rising living costs, and debt, will likely deepen inequality in the future unless action is taken.

A cost of living crisis has hit hard on Malawian citizens. In late 2023, headline inflation reached an 11-year high of 34% [xiv]; though it has slightly eased, it remains high at 28%.[xv]

Food prices have been the main driver, with food inflation averaging averaging over 40% over 2023–2024.[xi]

Many households now struggle to afford daily meals. Weak harvests following Cyclone Freddy in 2023 and an El Niño-induced drought in 2024 have reduced food availability, pushing 5.7 million Malawians — 28% of the population—into crisis-level food insecurity .[xii] As incomes have not kept pace with prices, frustration has been growing. In early 2025, protests erupted in major cities like Lilongwe and Blantyre, led by street vendors and disaffected youths

angered by rising costs.[xiii]

Climate change is expected to worsen, pushing more Malawians into poverty. Smallholder agriculture, which Malawi's economy heavily depends on, remains highly vulnerable. The World Bank warns that due to climate change, Malawi's GDP could shrink by 3%–9% by 2030 and 8%–16% by 2050.[xiv]

The next section examines policy measures that can be taken (on public services, taxation, and labour rights) using CRI Index data. It then follows this with supportive action required from the international community on debt and aid.

BOX 1. ABOUT THE CRI INDEX

Development Finance International (DFI) and Oxfam International jointly created the CRI Index to assess government efforts to tackle inequality. Rather than measuring inequality itself, the index evaluates policies that reduce inequality. It has three pillars: 1) Public services (education, healthcare, and social protection); 2) Progressive taxation; 3) Labour rights. Each of these pillars, in turn, has sets of indicators which measure: a) government policies, b) the implementation or coverage of these policies, c) the impact of both on reducing inequality.More information on the index can be found at www.inequalityindex.org. The Methodology Note that accompanies the Index is here.

The index, published every two years, helps track government commitments. Between editions, DFI and Oxfam work with partners to monitor progress and hold governments accountable. Over time, the CRI Index has become a key tool for policymakers, activists, and researchers.

Key Policies to Fight Inequality: Lessons from the CRI Index

Southern Africa performs relatively well on the CRI Index, with several countries prioritising inequality reduction due to high inequality levels. Malawi ranks mid-to- lower within the region, performing poorly on public services but relatively well in tax and labour policies, though with weak implementation. It has retained its 9th position in Southern Africa and 13th in sub-Saharan Africa since 2022, moving up only two places globally, mainly due to other countries' declines.

Southern Africa CRI Index overall ranks (with comparisons to sub-Saharan Africa and global ranks)

Country	Southern Africa Rank	Sub-Saharan Africa Rank	Global CRI Rank	Movement on CRI Index (Global 2022 to 2024 comparison)
South Africa	1	1	33	↓
Namibia	2	2	49	↑
Seychelles	3	3	52	↓
Mauritius	4	4	53	↑
Lesotho	5	5	54	↑
Botswana	6	6	82	↓
Eswatini	7	7	91	↑
Zambia	8	12	113	↓
Malawi	9	13	117	↑
Angola	10	19	134	↓
Mozambique	11	22	138	↓
Congo, Dem. Rep.	12	26	143	↓
Madagascar	13	30	149	↑
Zimbabwe	14	41	160	↓

Public Services Pillar

Public Services Pillar: Global, Southern Africa and sub-Saharan Africa (SSA) Rankings		
Southern Africa score (of 14)	SSA score (of 43)	Global score (0f 164)
#13	#27	#142

Malawi ranks third from the bottom in Southern Africa in the public services pillar and does poorly globally and relatively poorly in sub-Saharan Africa. This is mainly because Malawi falls short in spending in some sectors and, crucially, has weak coverage. As a result, it performs weakly in using public services to fight inequality.

Education

Malawi allocated only 14% of its budget to education, ranking fourth from the bottom on the CRI index in the region.[i] This remains below the 20% benchmark set by the Dakar Framework and in the SDG 4 Education 2030 framework.[ii] In the 2025/26 budget, the government has announced this would reach 16%[iii] - a slight improvement but still a long way to go to meet 20%. Meanwhile, on the completion indicator of the Index, Malawi has far to go. Overall, secondary school completion rates are low at just 15%; looking at this for the poorest quintile (i.e. with an equity lens), just 1.5% of children from the lowest income households complete senior secondary.

Social protection

Malawi's social protection spending is extremely low, dropping from 5.7% to 2.3% in the latest budget projections[vi]—among the lowest in Southern Africa. Most funds go to civil service pensions, covering less than 3% of older people. Child benefits have broader coverage (around a third), and the social cash transfer reaches around 300,000 households.[vii] But it relies heavily on donor support (97% of on-budget funding), which is now at risk due to aid cuts.[viii]

Health

Health spending in Malawi is also low, at just 8% of the budget, which puts it second to last in Southern Africa and way below the AU Abuja 15% budget commitment – there was a slight rise to 9% in 2025.[iv] More than half of the country's population (52%) lack access to essential health services, and 5% of households pay more than 10% of their income to fund health treatment- deemed as "catastrophic health expenditure".[v]

Impact on Inequality

Overall, public spending on health, education and social protection reduces income inequality (as measured by the Gini coefficient) by just 2%. This ranks Malawi very low - with only Zimbabwe's lower regionally - on the redistributive power of its public spending in Southern Africa.

> ***Just 1.5% of children from the lowest income households complete senior secondary.***

BOX 2. MALAWI'S CHILDREN AND YOUTH: ARRESTED DEVELOPMENT OR A FUTURE UNLOCKED?

Malawi's youth and children are its most powerful asset - with over 60% of the population under 25 years - investing in education, healthcare, social protection, and digital inclusion is critical to unlocking their potential and driving development in the nation. While the National Youth Policy (2023) and Malawi Vision 2063 prioritise education, skills development, and job creation, progress remains slow. Education remains inaccessible for many, with only around 45% of children completing primary school (this dropped from 52% in 2019) in 2024 and an estimated 23% of junior secondary and 15% of senior secondary.[i] High dropout rates, especially among girls, persist due to poverty, early marriages, and cultural barriers. Multidimensional poverty, which affects health, education, and living standards, is also extreme. Save the Children and UNICEF research puts this as close to half of all children experiencing this.[ii] While 37% of children under five suffer from stunting, impacting cognitive development.[iii] At the same time, there is a need to support digital inclusivity, so large swathes of Malawian youth don't get left behind. For young people of working age there is also very high unemployment, which stands at 23%.[iv]

Debt burdens risk weighing down any future progress and arresting development - handing a devastating legacy to Malawi's youth and stifling the nation's full potential. Without urgent action, the very generation meant to drive Malawi Vision 2063 will inherit an economy burdened by debt, limiting their chances for a prosperous future.

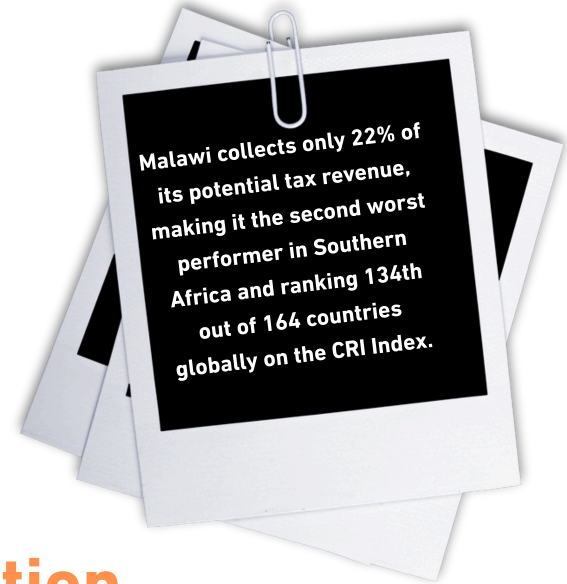
Tax Justice Pillar

Tax Justice Pillar: Global, Southern Africa and sub-Saharan Africa (SSA) Rankings		
Southern Africa score (of 14)	SSA score (of 43)	Global score (0f 164)
#8	#17	#68

Malawi ranks in the middle of Southern Africa's tax rankings. This is largely due to progressive policies "on paper," but the implementation (tax collection "in reality") lets it down.

Progressive Tax System.

Malawi ranks 13th globally and 2nd in Southern Africa for how they design their tax system to be progressive. This is due to a high Corporate Income Tax (CIT) rate compared to many neighbours (30%), along with progressive rates of Personal Income Tax (PIT). Malawi also takes steps to reduce VAT's impact on low-income populations, making it less regressive, i.e. exempting lower VAT rates on basic foodstuffs and ensuring smaller traders are exempt so they do not pass VAT costs on to their consumers.

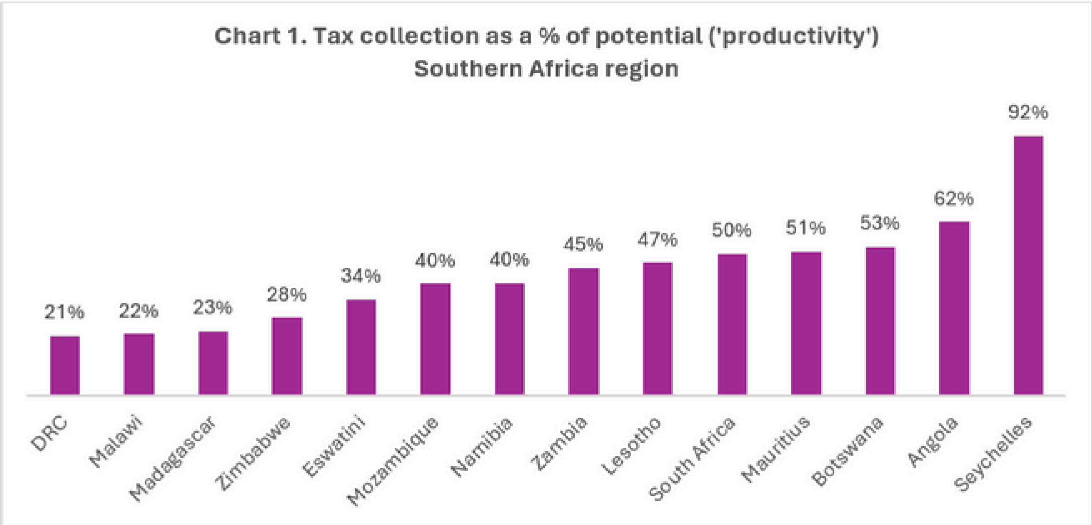


Tax collection

Malawi does very poorly in tax collection, collecting only 22% of its potential tax revenue, ranking among the lowest globally (134th out of 164 in the CRI Index) and second lowest in Southern Africa (see Chart 1). Its tax-to-GDP ratio was just 13% in 2022—well below the government's domestic revenue target, which aims to reach 19% by 2026[i], and below the sub-Saharan African average of 16%.[ii] Malawi must boost revenue through progressive tax collection. For instance, a moderate wealth tax could raise $70 million (0.7% of GDP)[iii] - enough to fund an essential health services package for nearly 890,000 people.[iv] Additionally, Malawi loses $33 million annually to global tax abuse. This is equivalent to 12% of the health budget. Alternatively, it could fund junior secondary education for all out-of-school youth.[v] The government is also urged to transparently review and eliminate ineffective tax exemptions and publish decisions made on lost revenues through, for instance, tax incentives offered to corporations as part of its annual budget planning.

Impact on Inequality

Taxes fail to reduce inequality in Malawi, as measured by the impact on the Gini coefficient. It is one of four countries in Southern Africa that fail to reduce inequality (DRC, Malawi, Madagascar, and Seychelles). The country could do much more to fight inequality through tax, notably by working hard to collect more through progressive means.



Labour Rights pillar

Labour Rights Pillar: Global, Southern Africa and sub-Saharan Africa (SSA) Rankings		
Southern Africa score (of 14)	SSA score (of 43)	Global score (0f 164)
#5	#7	#104

On the labour rights pillar, Malawi ranks near the top of sub-Saharan Africa and in the top third in Southern Africa but is around the middle globally. This is due to relatively high labour protections in law; however, high levels of vulnerable employment limit the capacity for these protections to help reduce inequality.

- Labour rights in law and practice. Malawi ranks among the global top 10 for labour rights policies and laws in Southern Africa. It has few labour rights violations. It also has a relatively high minimum wage law. However, the wage-to-GDP ratio has remained stagnant from the 2022 Index. Even after the government raised the minimum wage by 80% (to MWK 90,000 per month) in February 2024, it still falls short of meeting basic family needs amid high inflation.[i] Malawi also falls short of the full suite of possible ways to protect women's rights in the workplace by offering limited parental leave.
- Labour rights implementation. Around 60% of workers are not covered by formal labour rights. Indeed, the Ministry of Labour has recently announced the launch of a new workers' rights campaign to better enforce labour laws amidst a broader review of labour laws.[ii] Hopefully, this will lead to rights in law (above) being translated into covering most of the population.
- Impact on wage inequality. Due to a failure to enforce labour laws and minimum wages that don't cover large swathes of the population, Malawi ranks in the lower middle of Southern Africa in relation to wage inequality (with a high wage Gini of 0.63).

Debt, aid and austerity

The above section has shown that Malawi is stagnating overall in implementing the policies necessary to reduce inequality.

Three major global factors—the growing debt crisis, increasing austerity measures, and significant aid cuts—severely limit the Malawian government's policy choices to fight inequality and poverty.

Aid reductions are expected to heavily affect Malawi in the next few years. They represent more than 5% of its GDP and 15% of its budget spending.[i]

More than half of healthcare spending in Malawi comes from foreign donors. Between 2019 and 2023, aid accounted for 11% of the education budget and 80% of spending on capital projects such as schools and classrooms.[ii]

Specific sectors will be very hard hit by the brutal cuts to USAID, especially, notably, the fight against HIV/AIDS, which relies on the USAID-funded PEPFAR programme.

According to UNAIDS, Malawi depends on PEPFAR for 88% of its HIV/AIDS financing.[iii]

Upcoming cuts also build on long-term trends of diminished aid flows.

This also builds on longer-term trends of diminished aid.

Malawi's aid-to-GDP ratio has significantly declined, dropping from over 10% of GDP in 2013 to the current 5%.[iv]

Against aid reductions, Malawi, like many sub-Saharan African nations, has increasingly turned to commercial funding through domestic and international bond markets since 2015, a trend accelerated by COVID-19.[v] This has led to a debt crisis.

DFI's Debt Service Watch database shows Malawi's debt-to-GDP ratio (debt stock) was 75% in 2025.[vi] This has led to out-of-control debt servicing.

Indeed, in the 2025 budget announcement, the government announced that servicing had reached KW2.1 trillion, half of all revenues.[vii]

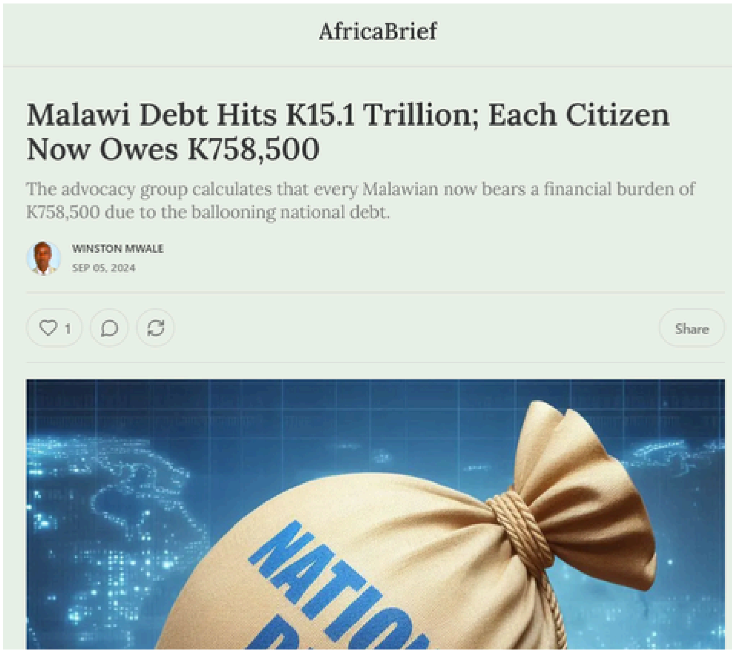
Without action, Malawi's debt servicing is predicted to remain at 118% of revenue in 2028.[viii]

The DFI Debt Service Database has estimated that debt servicing is now nearly two and a half times the combined social spending (on education, health, and social protection). By sector, this is over three times education spending, seven times health spending, and 55 times social protection.[ix]

This has led to Malawi defaulting on some of its debt. Debt restructuring negotiations have proceeded slowly, with the authorities only concluding negotiations with China.[x]

In principle, the government has agreed with all official external bilateral creditors and is still negotiating with commercial creditors to restructure debt.

But this does not go far enough. Malawi needs immediate debt cancellation from external sources, especially given the


AfricaBrief

Malawi Debt Hits K15.1 Trillion; Each Citizen Now Owes K758,500

The advocacy group calculates that every Malawian now bears a financial burden of K758,500 due to the ballooning national debt.

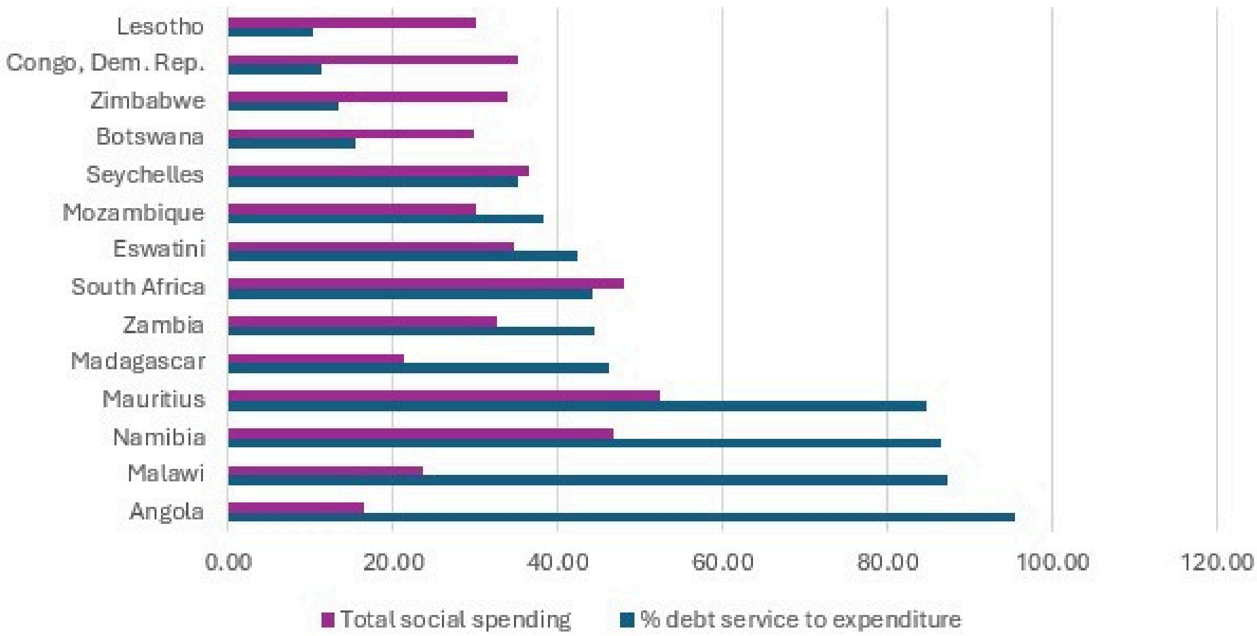
WINSTON MWALE
SEP 05, 2024

1

Share

complex task of managing sky-high and unprecedented domestic debt servicing. An immediate cancellation of external debt would free the country up from spending – just on servicing debts in 2025 – the equivalent of revenues that could: 1) cover the costs of a place in school for every child and young person currently left out of primary, junior secondary and higher secondary[xi] and 2) enable a scaling up of the ECD budget to meet the global 10% of education budgets Tashkent benchmark[xii]and: 3) fund close to 3 million Malawians gaining access an essential health package, which would deliver the SGD 3 commitment to universal health coverage.[xiii]

Chart 2. Debt Servicing vs Social Spending Southern Africa



Amid significant debt burdens, Malawi has been forced to seek support from the IMF. The IMF has now advised spending cuts (or "fiscal consolidation" in IMF-speak), which may pressure Malawi to make austerity cuts. IMF forecasts made in October 2024 suggest cuts could amount to 7% of GDP over the next five years.[i] The IMF has said that it protects spending on education, health and social protection from cuts in its loan programmes through "social spending floors"; however, Oxfam's analysis shows that these floors have a very patchy record of implementation and have allowed significant spending cuts in real terms and per capita US$ to occur, further undermining countries' efforts to fight inequality.[ii]

Recommendations & conclusions

In the face of coming aid cuts and crippling debt service levels, the Malawian government must work even harder to fight inequality so that it does not thwart progress on development and poverty. It is urgent that the international community support this effort, too. With the coming aid cuts and large fiscal deficits, Malawi will face two choices: borrowing from more expensive sources to sustain crucial programmes like health and HIV/AIDS or imposing further austerity by reducing expenditures. Borrowing will increase debt burdens, while austerity will cut vital social spending, worsening inequality. In this context, the Malawian government must have a laser-like focus on improving domestic revenue generation. In the 2025-26 budget speech, Minister of Finance Simplex Chithyola Banda said “The most ideal way of dealing with the unsustainable debt is by enhancing the country’s domestic revenue mobilization to cover Government expenditure without recourse to further borrowing, a situation which has not been attained due to the many shocks that this country has experienced."This is true. The government must increase tax-GDP levels, mindful of the need to do so through progressive tax measures. The international community must take immediate action on debt and support it with cheaper financing through concessional means for some immediate relief.

> “The government must increase tax-GDP levels”

Recommendations to the Malawian Government

Put realistic and timebound National Inequality Reduction Plans (NIRPs) in place, with annual monitoring to check their progress.

This should aim for an income Gini coefficient of less than 0.3 and/or a Palma ratio of no more than 1.

Invest in universal, high-quality public services to reduce inequality, even amidst aid cuts and austerity pressure

- Prioritise education funding to meet the 20% national budget set by the SDG 4 2030 framework for action. and focus that funding on scaling up education from ECE to a secondary level for all.
- Prioritise health funding up to the Abuja Declaration mandates 15% of national budgets for health; given this is presently less than half this goal, this will require concerted efforts as aid cuts bite. Use this funding to expand universal, accessible, high-quality primary healthcare to improve coverage.
- Increase spending to ensure universal social protection across all life stages (child benefits, maternity cover, disability benefits, unemployment support, and pensions).

Take action to enforce the progressive tax policies on paper and sharply increase tax collection.

- Strengthen tax revenue authorities, especially by investing more in tax collection from large corporations and high-net-worth individuals, to increase tax collection and ensure revenues are raised progressively.
- Reviewing and ending tax exemptions and deductions for corporations and wealthy individuals and clamping down on tax dodging.

Strengthen Labour Policies to Combat Wage Inequality

- Protect Trade Union and Worker Rights. Comply with ILO conventions in law and in practice to ensure the right to unionise, strike, and bargain collectively.
- Strengthen Women's Labour Rights. Provide at least 18 weeks (126 days) of fully paid maternity leave, per ILO guidelines, and significantly expand paternity leave to reduce the unpaid care burden on women.
- Increase Minimum Wages: Set minimum wages equal to per capita GDP (and cover living wages, i.e., basic spending needs) and adjust them annually for inflation. Regulate and Protect Informal/Vulnerable Workers. Develop systems to bring informal and vulnerable workers under minimum regulatory protections and integrate them into social protection and insurance schemes.

Recommendations to the international community

Support Malawi in designing and implementing anti-inequality action plans.
The international community must strongly support countries developing national plans to reduce inequality.

Provide debt cancellation on all external debt.

This includes providing comprehensive debt cancellation to Malawi, covering all external and domestic creditors and aiming to reduce debt service. Crucial anti-inequality spending (as specified in national anti-inequality plans) should also be included in debt sustainability analysis and fiscal frameworks to ensure that it can be sustainably financed without generating further debt problems.

Redouble efforts to provide more concessional financing.
This includes providing comprehensive debt cancellation to Malawi, covering all external and domestic creditors and aiming to reduce debt service. Crucial anti-inequality spending (as specified in national anti-inequality plans) should also be included in debt sustainability analysis and fiscal frameworks to ensure that it can be sustainably financed without generating further debt problems.

United Nations

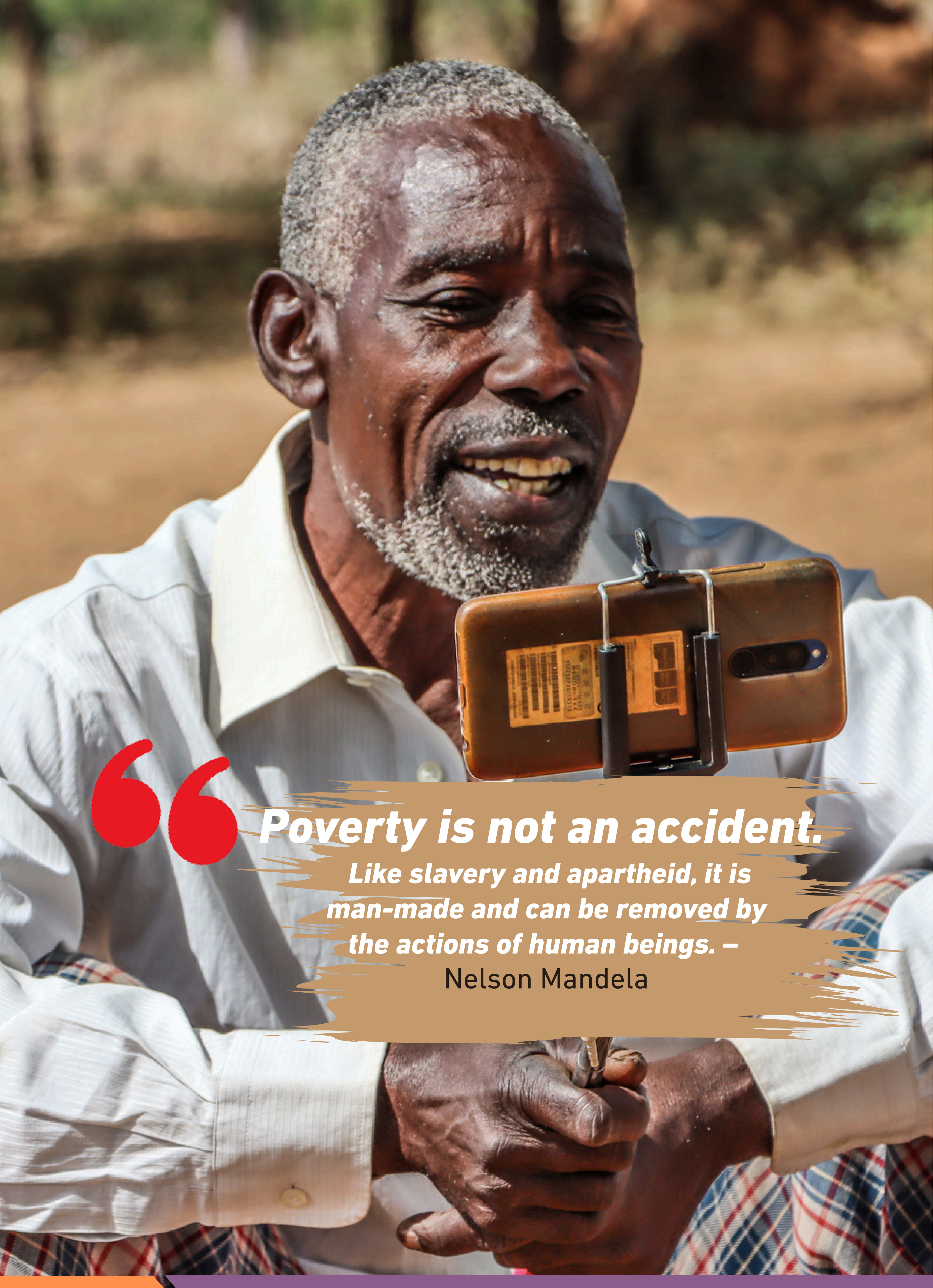
Advance and implement a UN Tax Convention to ensure fair taxation of multinationals and the super-rich; through the UN framework create a more inclusive, transparent, and equitable global tax system.

To help improve tax collection

- Support Malawi through initiatives such as the Addis Tax Initiative (ATI) and Tax Inspectors Without Borders (TIWB) to improve tax administration and enforcement of tax collection. These initiatives provide expertise in auditing multinational corporations, transfer pricing assessments, and tackling tax evasion strategies. Support global tax reform efforts, through the UN Tax Convention, to create a fairer and more inclusive global tax system.

Endnotes

1. UN SDGs. SDG Indicators: Global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development. https://unstats.un.org/sdgs/indicators/indicators-list/
2. Data from the World Inequality Database. (n.d.). Malawi. WID.world. Retrieved March 14, 2025, from https://wid.world/country/malawi/. The Gini Coefficient is the most common measure of inequality, ranging from 0 (perfect equality) to 1 (perfect inequality, where one person owns everything). A post-tax Gini above 0.4 is considered high
3. UNDP Human Development Report country database at http://hdr.undp.org/en/countries. Years for data vary by country and are from the latest household surveys conducted by each government. A key criticism of the Gini Index is its insensitivity to shifts at the income extremes, especially as recent years have seen a growing concentration of income and wealth in the top 10% of the population. We have also included the Palma Ratio, which compares the income share of the richest 10% to the poorest 40%, with a ratio above 1.5–2.0, indicating severe inequality.
4. World Inequality Database. (n.d.). Malawi. WID.world. Retrieved March 14, 2025, from https://wid.world/country/malawi/
5. World Inequality Database. (n.d.). Malawi. WID.world. Retrieved March 14, 2025, from https://wid.world/country/malawi/
6. International Monetary Fund. (2017, May 11). A new twist in the link between inequality and economic development. Retrieved from https://www.imf.org/en/Blogs/Articles/2017/05/11/a-new-twist-in-the-link-between-inequality-and-economic-development
7. Dabla-Norris, E., Kochhar, K, Suphaphiphat, N., Ricka, F. and Tsounta, E. (2015). Causes and Consequences of Income Inequality: A Global Perspective. IMF Staff Discussion Note SDN/15/13. IMF. https://www.imf.org/external/pubs/ft/sdn/2015/sdn1513.pdf
8. Gondwe, G. (2023). Reducing inequality and poverty in Malawi: Policy analyses and options. United Nations Conference on Trade and Development. Retrieved from https://unctad.org/system/files/official-document/aldc2023d4_en.pdf
9. World Bank. (n.d.). Malawi Poverty and Equity Brief. World Bank Group. Retrieved April 10, 2025, from https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_MWI.pdf
10. African Development Bank. (2023). Malawi Economic Outlook. Retrieved from https://www.afdb.org/en/countries/southern-africa/malawi/malawi-economic-outlook
11. FAO, UNDP, UNICEF, & WFP. (2022). IPC Malawi Chronic Food Insecurity Snapshot - May 2022. United Nations Malawi. Retrieved April 10, 2025, from https://malawi.un.org/sites/default/files/2022-05/IPC%20Malawi%20Chronic%20Food%20Insecurity%20Snapshot%20-%20May%202022.pdf
12. World Bank. (2023). Poverty and Equity Brief: Malawi. World Bank Group. Retrieved from https://databankfiles.worldbank.org/public/ddpext_download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_MWI.pdf.
13. Data from the 2024 global Multidimensional Poverty Index (MPI), available here: https://ophi.org.uk/global-mpi/2024. Accessed February 10th 2025. South Sudan estimates are very old (2010) and, as a result, were not included in the global Multidimensional Poverty Index Report 2023 or 2024. We have included this (old) data here to exemplify the country's poverty depth.
14. Lumwira, G. (2024, September 18). Rising prices hit consumers hard. The Nation Online. Retrieved from https://mwnation.com/rising-prices-hit-consumers-hard/
15. Data from January 2025. Phiri, F. (2025, February 28). Malawi lowers 2025 growth forecast as inflation spurs protests. Reuters. Retrieved from https://www.reuters.com/world/africa/malawi-cuts-2025-growth-forecast-inflation-spurs-street-protests-2025-02-28/
16. Ajose, T. (2025, January 28). Malawi inflation climbs to 28.1% over rising food costs. News Central. Retrieved from https://newscentral.africa/malawi-inflation-climbs-to-28-1-over-rising-food-costs/
17. World Bank. (2025, January). Malawi Economic Monitor: The Rising Cost of Inaction and the Potential of Malawi's Mining Sector. Retrieved from https://www.worldbank.org/en/country/malawi/publication/malawi-economic-monitor-the-rising-cost-of-inaction-and-afe-the-potential-of-malawi-s-mining-sector
18. Phiri, F. (2025, February 28). Malawi lowers 2025 growth forecast as inflation spurs protests. Reuters. Retrieved from https://www.reuters.com/world/africa/malawi-cuts-2025-growth-forecast-inflation-spurs-street-protests-2025-02-28/
19. World Bank. (2022, October 27). Climate-Informed Economic Development Key to Malawi's Future Growth and Resilience. Retrieved from https://www.worldbank.org/en/news/press-release/2022/10/27/climate-informed-economic-development-key-to-malawi-s-future-growth-and-resilience
20. The budget figures in CRI are from previous years, but this remains 15% in 2025. See : UNICEF Malawi. (2024). National budget brief 2024-25. Retrieved from https://www.unicef.org/malawi/media/11791/file/UNICEF_MLW_National_Budget_Brief_2024-25.pdf.pdf
21. The overall range is 14-20% but UNESCO has emphasised those who still have far to go to meet SDG 4 must aim for 20% (or more). See: United Nations Educational, Scientific and Cultural Organization. (2022). Can countries afford their national SDG 4 benchmarks? A projection analysis based on past spending patterns. Retrieved from https://unesdoc.unesco.org/ark:/48223/pf0000385004
22. Government of Malawi. (2025). 2025/2026 Budget Statement. Ministry of Finance and Economic Affairs. Presented by Honourable Simplex Chithyola Banda on 28th February 2025.
23. The budget figures in CRI are from previous years, but this remains 15% in 2025. See Government of Malawi. (2025). 2025/2026 Budget Statement. Ministry of Finance and Economic Affairs. Presented by Honourable Simplex Chithyola Banda on 28th February 2025.
24. World Health Organization. (n.d.). Financial protection. WHO. Retrieved March 18, 2025, from https://www.who.int/data/gho/data/themes/topics/financial-protection
25. Government of Malawi. (2025). 2025/2026 Budget Statement. Ministry of Finance and Economic Affairs. Presented by Honourable Simplex Chithyola Banda on 28th February 2025.
26. Twea-Buliyani, B. (2024, May 14). Complaints handling system improves social cash transfer operations. UNICEF Malawi. Retrieved from https://www.unicef.org/malawi/stories/complaints-handling-system-improves-social-cash-transfer-operations
27. Data from World Social Protection data https://www.social-protection.org/gimi/WSPDB.action?id=16
28. UNESCO Institute for Statistics. (n.d.). SDG 4 Data Explorer. Retrieved March 20, 2025, from https://sdg4-data.uis.unesco.org/
29. UNICEF. (n.d.). Ending child poverty in Eastern and Southern Africa. Retrieved March 4, 2025, from https://www.unicef.org/esa/ending-child-poverty
30. Chikhungu, L. C. (2022). Trends and patterns of stunted only and stunted-underweight children in Malawi: A confirmation for child nutrition practitioners to continue focusing on stunting. Malawi Medical Journal, 34(2), 111–117. https://doi.org/10.4314/mmj.v34i2.6
31. Youth is defined here as 15-34 years. International Labour Organization. (n.d.). Malawi Decent Work Country Programme 2020–2025. Retrieved March 20, 2025, from https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40ed_mas/%40program/documents/genericdocument/wcms_774551.pdf
32. Revenue mobilisation strategy scores highly. The Nation Online. https://mwnation.com/revenue-mobilisation-strategy-scores-highly/Nation Online
33. OECD/AUC/ATAF (2024), Revenue Statistics in Africa 2024: Facilitation and Trust as Drivers of Voluntary Tax Compliance in Selected African Tax Administrations, OECD Publishing, Paris, https://doi.org/10.1787/78e9af3a-en.
34. The paper models how much tax countries can raise by following the example of Spain's wealth tax on the richest 0.5%, a model that has proven politically feasible, and uses data from the World Inequality Database to project the revenues of adopting similar tax measures around the world. Tax Justice Network. (2024). Taxing extreme wealth: What countries around the world could gain from progressive wealth taxes. https://taxjustice.net/reports/taxing-extreme-wealth-what-countries-around-the-world-could-gain-from-progressive-wealth-taxes/
35. Authors own calculations. This is based on the UNICEF Health Budget 2024/25 quote that the Government set in the health sector plan (HSSP III) that meeting the per capita funding requirements for SDG 3.8 UHC (Universal Health Coverage, which is measured as a package of essential health services for each person) would costUS$78.7 hence we have taken this figure and broken this down into how many of these packages could be covered (nb currently on budget spending is just US$16 and combined with off budget spending it still only reaches US$39 per capita in 2024. See: https://www.unicef.org/malawi/media/11766/file/UNICEF_MLW_Health_Budget_Brief_2024-25.pdf.pdf
36. Authors own calculations. In total about 149,000 junior secondary school-age young people (see https://data.unicef.org/wp-content/uploads/2022/12/2022Malawi_Factsheet_InDesign-FINAL-2.pdf.) The cost per pupil is currently an estimated MK198,000 per secondary level student (see /https://www.unicef.org/malawi/media/11756/file/2024-25%20Education_Budget_Brief_Final.pdf.pdf). It must be noted that this current per pupil spending is woefully lacking for quality education, but it would fund these places, all things being equal to current conditions
37. Lumwira, G. (2024, September 18). Rising prices hit consumers hard. The Nation Online. Retrieved from https://mwnation.com/rising-prices-hit-consumers-hard/
38. Kadzinje, A. (2025, January 28). Mumba demands better working conditions for tea pluckers. Malawi News Agency. Retrieved from https://www.manaonline.gov.mw/index.php/national-news/item/8157-mumba-demands-better-working-conditions-for-tea-pluckers
39. Data calculated by DFI comparing DAC Country Programmable Aid for each country with GDP as reported by the IMF, and cross-checking against aid levels reflected in country budgets and IMF documents.
40. UNICEF Malawi. (2023). Health budget brief 2023-24. [PDF file]. Retrieved from https://www.unicef.org/malawi/media/10111/file/Health%20Budget%20Brief%2020230-24.pdf
41. See the latest information on the dependence of HIV/AIDS funding on PEPFAR, in https://www.unaids.org/sites/default/files/2025-03/20250305-USstop-Sitrep.pdf
42. World Bank. (2023). Malawi Economic Monitor – Powering Malawi's Growth: Rapidly and Sustainably Increasing Access to Electricity. Retrieved from https://documents1.worldbank.org/curated/en/099071423121539304/pdf/P179529071fbd40290899901e20929fd171.pdf
43. For details of these reasons behind the current renewed debt crisis in Eastern and Southern Africa, see https://www.development-finance.org/en/news/834-23-november-oslo-launch-of-updated-report-resolving-the-worst-ever-global-debt-crisis-
44. The Debt Service Watch (DSW) database is compiled by DFI from global (IMF) and national (budget and debt reporting documents) sources. It covers 145 countries – all but 9 of the countries which borrow from the World Bank – and including all countries in Eastern and Southern Africa. It covers the time period 2017-2029, and includes data on both external and domestic debt service. For a more detailed description of the database, see https://www.development-finance.org/en/news/831-11-october-the-worst-debt-crisis-ever-shocking-new-debt-service-numbers. These numbers are taken from the latest end-February 2025 version of the DSW database
45. Op Cit. Government of Malawi. 2025/2026 Budget Statement.
46. Op Cit. Debt Service Watch (DSW) database
47. Op Cit. Debt Service Watch (DSW) database
48. World Bank. (n.d.). Malawi Overview. Retrieved March 14, 2025, from https://www.worldbank.org/en/country/malawi/overview
49. Authors own calculations. In total there are 259,000 primary school-age children and 149,000 junior secondary school-age children were out of school. At the senior secondary level the number of out-of-school children is 298,000. See https://data.unicef.org/wp-content/uploads/2022/12/2022Malawi_Factsheet_InDesign-FINAL-2.pdf. The ESPR 2023 indicates an estimated expenditure of MK48,000 per primary-level student and MK198,000 per secondary-level student. Thus we have calculated the cost for all OOS children and youth. It must be noted current allocations are woefully short of what is needed for quality, and hence, this only looks at funding current places and not what would be required to ensure quality education per pupil
50. Authors' own calculation. We took the latest figures for ECD services 4% of the education budget. We then looked at the gap in allocating 10% of education budgets to ECD as per the Tashkent benchmark (see https://www.unesco.org/en/articles/unesco-member-states-commit-invest-least-10-education-budget-early-childhood-education#:~:text=Press%20release-,UNESCO%20Member%20States%20commit%20to%20invest%20at%20least%2010%25%20of,with%20Sustainable%20Development%20Goal%204). In the 2024/2025 fiscal year, ECD services received MWK 16.2 billion, accounting for 4% of the total national budget https://www.unicef.org/esa/media/12916/file/UNICEF-Malawi-Education-Budget-Brief-2023-2004.pdf. Scaling this up to 10% would be KW76.87 billion.
51. Authors own calculations. This is based on the UNICEF Health Budget 2024/25 which quotes that the Government set in the health sector plan (HSSP III) that meets the per capita funding requirements for SDG 3.8 UHC (Universal Health Coverage, which is measured as a package of essential health services for each person) would costUS$78.7. We, therefore, looked at what per capita costs could be covered from current servicing levels in US$. See: https://www.unicef.org/malawi/media/11766/file/UNICEF_MLW_Health_Budget_Brief_2024-25.pdf.pdf. Note, on-budget spending is just US$16 and combined with off-budget spending it still only reaches US$39 per capita in 2024.
52. International Monetary Fund. World Economic Outlook: Policy Pivot, Rising Threats. 2024, https://www.imf.org/en/Publications/WEO/Issues/2024/10/22/world-economic-outlook-october-2024.
53. Oxfam International. (2023, April 13). For every $1 IMF encouraged a set of poor countries to spend on public goods, it has told them to cut $4. Oxfam. https://www.oxfam.org/en/press-releases/every-1-imf-encouraged-set-poor-countries-spend-public-goods-it-has-told-them-cut



Poverty is not an accident.

Like slavery and apartheid, it is man-made and can be removed by the actions of human beings. –

Nelson Mandela