

Chapter 6

EXPENDITURE, INCOME AND ASSETS

6.0 Introduction

The survey collected information on household expenditure, income by source and assets acquired by households. In this analysis, particular interest is expenditure that brings welfare to individuals rather than investment expenditure that is used to generate income. On the other hand, the use value of durable goods believed to bring welfare to households is added to the household expenditure. Clearly, the need for expenditure and income indicators is for assessing the welfare level of households. Different expenditure categories were collected from different sections of the questionnaire and had different recall periods. However, the aggregated expenditure is given as an annual or daily value in per capita terms or at household level at 2004/5 real urban prices.

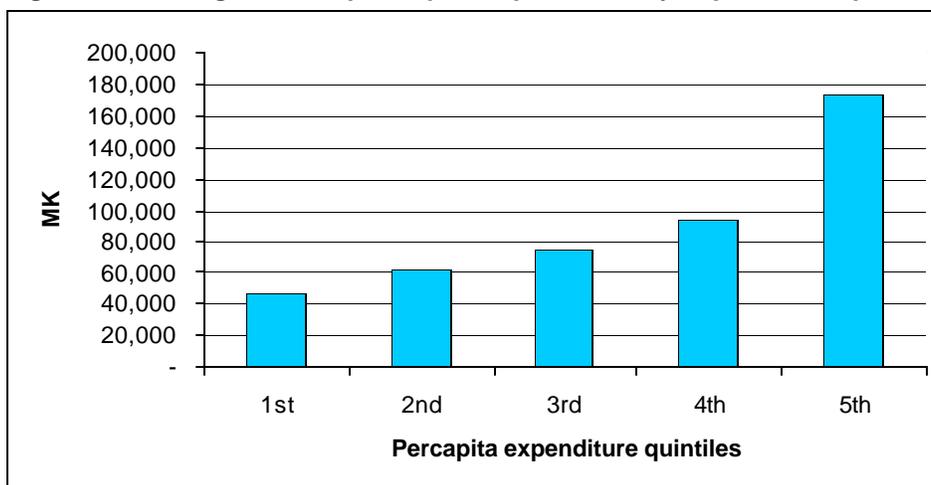
6.1 Household expenditure

Market prices were used to record the value of all purchased items whilst the same prices were used to impute values for all in-kind and gifts.

As table 6.1 below shows, the average annual household expenditure in Malawi is MK99, 532 whilst the median is lower at MK72, 000 implying that on average, a Malawian household spends about MK272 per day. The expenditure is higher in male-headed households relative to their female counterparts. Rural households spend less than half the amount urban households spend. Per annum, rural households are spending about MK87, 000 implying that a rural household spends about MK238 per day while their urban counterparts spend about MK524 per day. Of the three main regions of the country, the central region has the highest expenditure while the south spends the least.

By household expenditure quintiles, on average, the highest quintile spends almost four times more than the lowest quintile. On the other hand, disparities between the two extreme quintiles are lower if median expenditures are considered. As revealed from table 6.1 below, the median expenditure of the highest quintile is three times higher than the lowest quintile.

Figure 6.1 Average annual per capita expenditure by expenditure quintiles



There are also notable differences in expenditure between male and female-headed households. On average, male-headed households spend an annual average of close to one hundred and ten thousand kwacha while female-headed households spend close to seventy thousand kwachas.

In line with the regional findings above, districts in the central region have relatively higher consumption expenditure than their counterparts from the other regions. Precisely, if urban centers are excluded, Dowa, Kasungu, Ntchisi and Lilongwe rural are the districts with the highest average household consumption expenditure figures while Nkhata Bay, Machinga and Zomba rural have the lowest expenditures.

6.1.2 Household per capita expenditure

On average, the annual per capita consumption expenditure in Malawi is MK26, 058 implying an overall average expenditure of MK71 per person per day. Like in the 1998/9 IHS annual per capita expenditure is higher in male-headed households relative to the female-headed households. Household members in male-headed households have a per capita expenditure of about MK73 per day while those in female-headed households have their expenditure at MK64 per day. Relative to the current per capita expenditure, the 1998/9 per capita expenditure in male-headed households MK4, 968 while that of female-headed households was MK4, 327. In terms of place of residence, a person in the urban center spends MK52, 594 per annum while someone in the rural area spends slightly less than half of this amount in real terms. Of all the urban centers, Lilongwe city has the highest per capita annual expenditure of MK63, 010 while Mzuzu City is the lowest within the urban centers spending slightly above 50 per cent of what a person spends in Lilongwe City.

In terms of expenditure quintiles, the highest quintile has an average expenditure of about MK7, 884 per person per annum- five times higher than the lowest quintile of about MK54, 793.

Table 6.1 Mean and median annual household expenditure according to household background characteristics, Malawi 2005

	Household		Per Capita	
	Mean (MK)	Median (MK)	Mean (MK)	Median (MK)
Malawi	99,532.2	72,279.5	26,058.6	18,509.5
Sex of Household head				
Male	107,595.4	78,027.8	26,817.9	18,896.4
Female	72,499.9	54,961.7	23,522.2	17,482.6
Place of Residence				
Urban	191,303.5	112,586.4	52,594.4	31,463.1
Rural	87,066.1	68,504.0	22,454.0	17,467.2
Household per capita expenditure quintile				
1st	46,049.1	43,181.8	7,594.6	7,884.2
2nd	61,077.7	58,496.4	11,724.2	11,690.1
3rd	75,908.5	71,107.6	16,166.7	16,097.8
4th	94,790.5	84,859.7	22,861.5	22,619.1
5th	173,621.0	124,482.5	54,793.0	41,397.2
Northern Region				
Chitipa	77,339.1	65,546.0	17,539.4	14,616.6
Karonga	80,506.8	66,786.7	19,750.4	16,165.9
Nkhata Bay	59,987.0	48,906.5	18,341.4	12,704.6
Rumphi	73,966.2	64,144.6	22,116.9	16,178.8
Mzimba	102,401.9	84,316.8	22,870.7	18,731.9
Mzuzu City	152,019.9	107,225.4	36,055.2	27,057.8
Central Region				
Kasungu	118,977.1	94,041.7	25,465.2	19,963.6
Nkhotakota	101,961.7	83,205.9	24,453.8	18,250.8
Ntchisi	107,812.8	83,412.5	23,469.5	18,523.0
Dowa	132,184.6	111,759.6	30,115.5	25,369.5
Salima	79,695.4	65,581.6	21,118.4	17,206.7
Lilongwe Rural	106,864.0	87,417.0	28,234.9	22,551.1
Lilongwe City	233,118.0	123,250.5	63,010.3	35,098.5
Mchinji	89,017.9	68,442.4	22,241.8	16,570.4
Dedza	88,506.2	72,599.1	20,671.0	16,910.4
Ntcheu	93,690.3	75,754.1	22,297.8	18,445.0
Southern Region				
Mangochi	77,485.8	65,527.2	20,708.7	16,228.6
Machinga	64,680.0	52,590.7	16,812.4	13,290.4
Zomba Rural	66,855.8	50,500.8	19,431.4	14,218.5
Zomba Municipality	154,520.8	105,941.6	38,868.9	27,665.4
Chiradzulu	75,907.9	63,678.5	20,252.4	16,067.6
Blantyre Rural	94,309.2	70,803.1	27,254.0	20,698.5
Blantyre City	160,605.9	105,018.9	47,089.7	31,006.7
Mwanza	81,427.5	68,256.7	22,901.3	18,377.4
Thyolo	69,195.6	50,715.8	21,325.5	14,965.8
Mulanje	70,264.1	55,830.2	20,640.4	15,170.1
Phalombe	70,530.4	61,223.4	23,078.4	17,192.2
Chikwawa	72,728.8	59,696.5	18,900.3	15,350.4
Nsanje	74,954.1	64,172.5	17,041.6	14,125.8
Balaka	69,128.3	58,626.2	20,019.1	15,972.4

6.2 Classification of household expenditure by COICOP

In this analysis household expenditure was categorized according to the UN statistical classification system called “Classification of Individual Consumption According to Purpose” –COICOP. This categorization mainly divides expenditure into food and non-food components. The non-food component comprises expenditure on alcohol and tobacco, clothing and footwear, imputed housing rent, household utilities and regular maintenance of housing, health, education, entertainment, personal care and of course use value of durable goods.

Like in many developing countries, food expenditure is the highest with a mean of MK 55,313 per annum, representing a share of 56 per cent of total expenditure, non-food expenditure is MK44,218 per household per annum, this represents 44 per cent of the total household expenditure. In the analysis food expenditure includes food consumed from vendors and cafes. As the table 6.2 shows, expenditure on food from vendors and cafes is a very small portion of the entire expenditure.

Compared to the 1998-1999 Malawi Integrated Household Survey, non-food expenditure has risen from 37 per cent to the current 44 per cent. Within the non-food component, the highest expenditure is housing and utilities making 20 per cent of the entire expenditure. Transport comes second making 5.8 per cent of the entire expenditure. Communication and recreation are the least expenditure components making less than 1 per cent each of the total expenditure. From these figures, it is clear that many people use most of their income on food instead of enjoying leisure/recreation.

Table 6.2 Real annual household expenditure by item category (COICOP groups), Malawi 2005

Expenditure category	MK (Mean)	% Share of Total
All	99,532.2	100.0
Food	55,313.7	55.6
Food & Beverages	54,420.5	54.7
Vendors/Cafes	893.2	0.9
Non Food	44,218.5	44.4
Alcohol & Tobacco	2,257.2	2.3
Clothing & Footware	4,304.6	4.3
Housing & Utilities	20,491.4	20.6
Furnishing	3,801.3	3.8
Health	1,340.3	1.3
Transport	5,725.8	5.8
Communication	837.2	0.8
Recreation	907.1	0.9
Education	1,719.4	1.7
Miscellaneous Goods and Services	2,834.2	2.8

6.3 Household expenditure by type

Table 6.3 Percentage distribution of total annual household expenditure by type of expenditure according to background characteristics, Malawi 2005

Background characteristics	Food	Alcohol /Tobacco	Clothing	Housing, Utis. & Furnishing	Health	Education	Transport, Commun. Recreation	Miscel. Goods & Services	All
Malawi	55.6	2.3	4.3	24.4	1.4	1.73	7.5	2.9	100
Sex of household head									
Male	54.8	2.4	4.6	24	1.3	1.7	8.3	2.9	100
Female	59.4	1.5	3.1	26.5	1.4	1.7	3.6	2.8	100
Place of Residence									
Urban	45.1	1.6	4.1	24.8	1.1	3.6	15.9	3.8	100
Rural	58.7	2.5	4.4	24.3	1.4	1.2	5	2.6	100
Household per capita expenditure quintile									
1 st	61.1	1.6	2.8	27.5	1.6	1	1.6	3	100
2 nd	60.7	2.2	3.8	25.9	1.4	1	2.1	2.8	100
3 rd	61	2.3	4.5	24	1.5	1	3.1	2.7	100
4 th	59.6	2.3	5	22.9	1.4	1.3	4.9	2.7	100
5 th	48	2.4	4.5	24.1	1.2	2.7	14.1	3	100
Northern region									
Chitipa	72	3.8	3.9	13.4	0.6	1.4	2.4	2.5	100
Karonga	54.3	3.4	6.4	24.1	1.1	1.6	5.8	3.4	100
Nkhata Bay	59.1	0.3	3.8	27.5	0.9	0.5	4.2	3.7	100
Rumphi	59.4	3.8	3.1	24.4	1.1	1	4.3	2.9	100
Mzimba	66.9	2.8	4.1	16.3	0.8	1.3	5.3	2.5	100
Mzuzu City	49.3	1.8	4.6	22.1	1.3	3.1	14.6	3.3	100
Central Region									
Kasungu	51.2	2.9	5.9	26.9	1	1.8	8.1	2.3	100
Nkhotakota	57.8	1.9	5.4	23.5	1.4	1.5	6	2.5	100
Ntchisi	57.7	2	5.8	23.6	0.3	1.6	5.8	3.1	100
Dowa	56.9	2.9	6.2	20.9	1.8	1.1	7.5	2.7	100
Salima	59.6	2.1	3.1	26.2	1	1.9	4.1	1.9	100
Lilongwe Rural	60	2.2	3.9	24.9	1.3	0.8	4.8	2.1	100
Lilongwe City	42.9	2	3.5	24.3	1	4.2	18.2	3.9	100
Mchinji	56	1.5	6.4	28.2	0.7	0.9	4.1	2.3	100
Dedza	59.9	4.4	3.9	22.4	1.9	0.9	4.9	1.8	100
Ntcheu	56.1	3.1	3.1	25.4	2.6	1.1	6.5	2.1	100
Southern Region									
Mangochi	60.2	1.7	4.1	23.7	1.5	0.7	4.4	3.7	100
Machinga	56.4	1.7	5.2	24.5	1.2	0.9	7.7	2.5	100
Zomba Rural	64.2	1.9	3.1	24	0.9	1.5	1.9	2.6	100
Zomba Municipality	47.5	0.7	5.4	26.8	1.5	4.9	9.3	4	100
Chiradzulu	53.8	2	2.3	33.5	1.8	1.1	2.2	3.4	100
Blantyre Rural	56.5	2.5	6	25.4	1.7	0.9	4	3.1	100
Blantyre City	47.4	1.2	4.7	25.6	1.2	2.8	13.5	3.5	100
Mwanza	63.1	4.7	3.2	22	1.5	0.7	2.7	2.1	100
Thyolo	55.9	0.7	2.4	29.1	1.1	2.1	4.9	4	100
Mulanje	53.9	3.8	3.1	28.3	1.2	1.5	5.4	2.9	100
Phalombe	56.2	3.1	4.5	28.1	1.7	0.9	3.3	2.2	100
Chikwawa	61.6	2.5	5.5	21.8	2.2	0.8	3.2	2.3	100
Nsanje	59.8	1.4	5	21	3	1.5	6	2.3	100
Balaka	61.4	1.7	3.9	23.7	2.4	0.8	4	2.2	100

The distribution by sex of household head shows that female-headed households have higher expenditure on food than on non-food items. Close to 60 per cent of expenditure in female-headed households is on food items whilst male-headed households are spending 54 percent of total expenditure on food. There is also a notable difference in terms of expenditure on food between rural and urban areas. The urban areas are spending only 45 per cent of their total expenditure on food while their rural counterparts are spending close to 59 per cent. Compared to the 1998 IHS there has been a decline in terms of food expenditure share to total expenditure in both rural and urban areas. The rural areas had a food expenditure share of 77 per cent in 1998 and this has fallen 58 per cent in 2004. The urban food expenditure has however risen from 41 per cent in 1998 to 45 percent in 2004/5. It can also be noted that urban areas have reported almost three times higher expenditure on education, transport, communication and recreation than rural areas. This shows that there are higher costs to education in urban areas relative to rural areas. Likewise, transportation in rural areas may not be as expensive as in urban areas.

At regional level, the northern region has the highest expenditure on food making 61 per cent of total expenditure while the southern region comes second at 56 per cent and finally the central region at 53 per cent. Compared to the 1998-9 IHS, there is a notable decline in terms of share of food expenditure to total expenditure across all the regions of the country. The northern region has moved from 71 per cent to the current 61 per cent. The central region has also moved from the then 65 per cent to the current 53 per cent. The southern region has however not changed its share of food expenditure and still remains at 56 per cent.

The table also shows that on expenditure by quintiles, the highest quintile spends less than half of their total expenditure on food compared to six-tenth by the other quintile groups. Like urban households, the highest quintile has reported high expenditure on education and transport, communication & recreation. At district level excluding urban centers, Chitipa has reported the highest expenditure on food while Kasungu is the lowest. In terms of urban areas, Lilongwe urban has the lowest expenditure on food while Mzuzu city has the highest. Contrary to rural areas, all urban centers have reported expenditure on food that is less than half total expenditure.

6.4 Annual household expenditure on food

Table 6.4 above presents the average annual household food expenditure by some selected background characteristics. As may be noted in the table, at national level, the highest expenditure on food is expenditure on cereals and cereal products whereby on average, households spend about eight thousand kwacha on these products. Second to this is the expenditure on milk and milk products. The lowest expenditure is on spices whereby households have recorded just under a thousand kwachas per annum. Overall, there is not much variation across regions in terms of expenditure on specific food items. However, the northern region seems to have higher expenditure on roots, tubers and plantains relative to the other regions. The central region has high expenditure on spices and beverages Milk and milk products and on meat and meat products. The southern region has consistently had its expenditure lower than all the other regions in all the food expenditure categories.

Relative to rural areas, urban areas only have low food expenditure on pulses while they have higher expenditure in all the other food categories. Male-headed households have also consistently reported higher expenditure on food groups compared to their female counterparts, however, it is important to note that the differences between these two subgroups is not very huge.

By economic status, it may be noted that there is no specific pattern in terms of expenditure. However, some sort of pattern develops when we consider expenditure on cooked foods and foods from vendors; milk and milk products; sugar fats and oils; beverages and spices. Throughout these expenditure categories, expenditure is increasing as we move from lower expenditure quintile to the highest quintile.

Table 6.4 Average annual household food expenditure by food type by some selected household background characteristics, Malawi 2005

Background characteristics	Food types										
	Cereals, grains, cereal products	Roots & tubers, plantain	Pulses	Vegs.	Meat, fish & animal products	Fruits	Cooked foods & vendors	Milk and milk products	Sugar, fats & oils	Beverages	Spices & Misc.
Malawi	7,974	2,891	4,545	2,096	6,308	1,584	1,922	6,381	3,057	4,160	967
Place of residence											
Urban	8,022	3,060	3,085	2,290	9,061	2,158	3,451	8,216	4,401	5,955	1,797
Rural	7,965	2,860	4,734	2,061	5,676	1,454	1,576	5,101	2,785	3,672	820
Sex of household head											
Male	8,148	2,962	4,634	2,173	6,649	1,634	2,054	6,751	3,179	4,360	987
Female	7,361	2,624	4,235	1,831	4,797	1,388	1,315	4,077	2,558	3,161	899
Household per capita expenditure quintile											
1 st	8,525	3,211	3,546	2,068	3,133	1,281	742	2,917	1,869	2,595	543
2 nd	7,713	2,838	3,796	1,958	4,092	1,417	982	2,532	2,187	2,685	686
3 rd	8,183	2,825	4,309	2,087	4,653	1,532	1,227	4,823	2,511	2,679	811
4 th	8,110	2,761	4,770	2,006	5,556	1,474	1,364	3,957	2,952	2,970	893
5 th	7,762	2,950	4,983	2,222	8,173	1,768	2,784	7,344	3,792	5,499	1,350
Region											
Northern	8,725	4,286	6,349	3,227	6,242	1,323	2,488	3,921	3,708	3,779	890
Central	8,948	2,604	4,870	2,310	7,406	1,671	2,358	7,871	3,331	5,272	1,257
Southern	6,979	2,719	3,671	1,684	5,358	1,562	1,355	5,160	2,689	2,887	702

6.5 Expenditure by item level

Table 6.5 below shows expenditure by disaggregated expenditure groups. As presented earlier, food expenditure is the highest expenditure category followed by expenditure on household utilities such as electricity and fuels. The lowest expenditure groups are expenditure on recreation and expenditure on durables.

Table 6.5 Average household expenditure by item (annual)

Expenditure category	MK
Food	52,219.64
Electricity, gas, other fuels	12,270.15
Estimated rents for housing	7,176.78
Clothing	3,670.77
Transport	2,649.13
Personal effects	2,641.27
Routine Home maintenance	2,505.05
Beverage	2,200.81
Alcohol	2,073.23
Operation of vehicles	2,015.76
Regular maintenance and repair of dwelling	1,725.32
Education	1,719.35
Vehicles	1,060.88
Actual rents for housing	1,044.51
Vendors/Cafes/Restaurants	893.19
Communications	837.24
Audio-visual	680.45
Health hospitalization	668.80
Footwear	633.84
Health drugs	555.35
Appliances	365.29
Household textiles	361.94
Decorations, carpets	278.31
Dishes	241.45
Newspapers, books, stationery	214.25
Tobacco	183.96
Insurance	146.42
Health out-patient	116.16
Tools/equipment for home	49.28
Personal care	46.46
Accommodation services	15.68
Recreational services	6.33
Major durables for rec	6.09

6.6.1: Household income

Household income is the aggregation of income both in cash and/or in kind that accrues from economic activities performed by household members on a regular basis. Of more importance will be to assess the distribution of income by source as this may help targeting by policy makers. As indicated earlier, collection of data on income is very difficult particularly in countries like Malawi where informal sector is so dominant. However surveys provide a better tool for capturing such data.

In this analysis, household income is an aggregation of income from wages and salaries, agricultural activities, non-agricultural enterprises, property income and current transfers and other benefits such as remittances.

As the table 6.6 below reveals, the average household income in Malawi is about MK50,000. Urban areas have almost three times higher income compared to rural areas. By gender of household head, male-headed households have a higher income relative to female-headed households. As table 8.6 below reveals, the average annual income in male headed households is about MK56,000 while that in female headed households is slightly above half of this at MK34,000. In terms of per capita expenditure quintiles, the highest quintile has an average income of about MK93,000 while the lowest quintile has an average income of about MK26,000. As may be noted from the table above, there is a big jump in terms of average income between the highest expenditure quintile and the fourth quintile. The fifth quintile has an average income that is almost twice that of the fourth quintile.

At regional level, the central region has the highest average annual income followed by the north and then the south. Other than urban centers, Kasungu district has recorded the highest average annual income of about MK94, 000 followed by Dowa with an average income of MK67,000. Most districts in the southern region have recorded very low average annual income. Mwanza and Chiradzulu districts are the lowest with an annual income of less than MK20, 000. Among urban areas, Lilongwe city has the highest average annual income of about one-hundred and sixty thousand kwacha and it also happens that this is the highest income recorded so far across all the domains of analysis discussed in the chapter. Mzuzu city has the lowest income compared to other income areas and has even recorded lower income than other districts such as Kasungu and Dowa.

6.6.2: Household income by source

As indicated earlier, total household income in this analysis is the aggregation of income from salaries and wages, Agricultural activities, non-agricultural enterprises and the other sources, where other sources include income from remittances, property income, current transfers and other benefits. Although different income sources had different recall periods, the final income figure is here presented as an annual income at household level.

As may be noted, the highest income source at national level is from non-agricultural enterprises. Out of the total fifty-one thousand kwacha, about thirty thousand is contributed from this income source. On the other hand, income from agricultural activities comes second followed by salaries and wages and then other income sources. In terms of place of residence, the highest source of income in urban areas is from salaries and wages followed by income from non-agricultural activities and then from other income sources and lastly from agricultural activities. The rural distribution of income source follows very much the national pattern.

Comparisons on the sex of household head, shows the pattern is similar across male and female-headed households except that male-headed households have income from salaries and wages as the second highest while female headed households have income from agricultural activities as the second source but still both have income from non-agricultural enterprise as the highest.

Unlike the central and the southern region, the highest source of income in the northern region is from agricultural activities. Both the center and the southern region have income from enterprises as the highest while income from agricultural activities comes second in the central region but salaries and wages comes second in the southern region.

Table 6.6 Average annual household income by income source by household background characteristics, Malawi 2005

Background characteristics	Total	Salaries/Wages	Agriculture	Enterprises	Other
Malawi	50,904.4	18,331.2	19,680.6	29,769.9	4,848.4
Place of residence					
Urban	129,407.3	73,274.4	17,544.5	65,888.1	23,255.3
Rural	40,240.8	10,867.8	19,970.7	23,924.0	2,789.2
Sex of household head					
Male	56,000.2	21,002.1	20,712.2	33,091.5	4,861.9
Female	33,790.2	9,351.0	16,222.4	16,243.9	4,808.5
Household Per capita expenditure quintiles					
1 st	25,914.1	7,833.8	14,335.1	10,623.4	1,712.2
2 nd	30,920.0	9,077.0	16,302.9	16,122.3	1,496.2
3 rd	36,123.4	10,005.4	18,753.7	18,743.2	2,094.8
4 th	43,906.3	13,124.8	19,638.1	25,495.2	3,141.1
5 th	93,296.3	40,004.2	25,426.1	53,741.6	12,005.1
Northern Region					
Chitipa	31,762.1	8,193.4	17,154.8	6,292.3	4,640.3
Karonga	29,017.6	7,293.1	12,508.3	17,151.2	2,237.8
Nkhata Bay	30,515.2	9,130.4	8,672.8	30,278.0	7,246.3
Rumphi	46,199.1	11,821.0	27,515.7	30,034.8	2,199.0
Mzimba	60,271.0	13,800.9	40,774.5	18,248.9	3,662.6
Mzuzu City	66,480.8	31,485.9	11,426.6	45,757.4	9,408.0
Central Region					
Kasungu	94,177.9	12,475.7	65,679.3	68,367.3	3,613.6
Nkhotakota	36,626.8	13,400.6	7,619.5	61,719.2	1,775.0
Ntchisi	53,918.0	17,685.2	26,264.8	16,374.6	6,442.6
Dowa	67,626.3	11,011.0	40,314.5	41,583.5	4,485.1
Salima	32,756.0	7,980.3	19,639.0	11,878.4	6,748.0
Lilongwe Rural	48,056.0	12,672.2	26,001.6	25,148.2	2,018.8
Lilongwe City	162,331.2	95,048.9	19,453.3	84,047.0	23,601.8
Mchinji	43,138.3	5,483.4	29,308.7	28,579.6	2,695.0
Dedza	32,907.0	11,496.7	15,555.9	17,016.2	1,539.1
Ntcheu	35,088.7	10,517.9	17,275.8	10,193.9	4,061.2
Southern Region					
Mangochi	36,831.0	12,784.1	12,386.1	29,723.6	1,266.6
Machinga	39,679.1	10,744.5	12,001.0	35,727.1	1,971.4
Zomba Rural	32,359.7	4,684.9	21,645.1	15,635.0	1,539.8
Zomba Municipality	71,711.5	46,815.8	4,253.7	29,017.6	17,338.3
Chiradzulu	18,801.9	7,010.7	7,471.4	9,490.7	1,261.6
Blantyre Rural	42,530.1	13,392.9	12,131.4	16,333.0	9,050.0
Blantyre City	116,556.5	62,883.4	18,946.2	61,411.9	26,671.9
Mwanza	16,091.1	4,939.9	6,806.9	14,865.8	953.3
Thyolo	26,593.1	14,411.9	5,416.7	19,706.7	2,663.6
Mulanje	25,494.9	16,019.8	4,699.8	13,122.4	1,972.0
Phalombe	27,909.8	5,705.9	17,069.0	13,480.7	1,334.8
Chikwawa	24,125.3	11,315.4	8,229.8	17,752.0	850.5
Nsanje	45,136.2	17,238.7	8,835.3	28,729.9	2,381.9
Balaka	27,269.7	8,158.5	10,036.0	24,033.3	2,936.5

6.7 Household assets

Section M of the questionnaire collected data on household durables. The respondents, preferably the household head, was asked if the household owns any of the prelisted durables, the questionnaire also collected information on the number of assets, age and current estimated value of the item. Only consumption durables were used in the calculation of expenditure aggregates while non-consumption durables were excluded. As eluded earlier, non-consumption durables are those durables used in income generating activities such as beer brewing drum, mini-buses, lorry etc.

6.7.1 Proportion of households owning some assets

Although the calculation of expenditure aggregates has only used consumption durables, this section wishes to highlight assets of either type. Below is a table indicating the proportion of households owning some selected assets by background characteristics of the households.

Table 6.7 Proportion of households owning selected assets by household background characteristics, Malawi 2005

Background characteristics	Type of Assets										
	House	Bed	Table	Air conditioner	Radio (wireless)	Television & VCR	Bicycle	Ox-cart	Hoe	Axe	Sickle
Malawi	80.6	30.1	34.3	0.3	54.5	3.7	36.1	2.0	91.0	61.9	55.4
Place of residence											
Urban	42.0	63.5	55.4	0.3	50.1	18.3	20.0	0.4	58.7	42.1	12.9
Rural	85.9	25.6	31.5	0.3	55.1	1.8	38.3	2.3	95.4	64.6	61.2
Sex of household head											
Male	79.7	32.6	37.9	0.3	62.7	4.4	43.2	2.3	91.0	65.3	57.4
Female	83.6	21.7	22.6	0.1	27.0	1.7	12.0	1.0	91.1	50.5	48.7
Household per capita expenditure quintile											
1 st	91.2	15.8	21.9	0.3	46.4	0.2	27.5	0.9	96.3	59.6	56.9
2 nd	89.0	19.8	25.5	0.1	49.5	0.3	33.2	1.2	94.9	62.9	61.2
3 rd	87.3	24.1	32.1	0.2	54.8	0.7	36.5	1.4	94.3	64.1	59.3
4 th	81.4	30.7	36.6	0.2	58.0	1.7	39.7	2.8	92.3	64.1	57.1
5 th	64.1	48.2	46.5	0.4	59.1	11.7	39.3	3.0	82.4	59.0	46.9
Region											
Northern	85.0	57.5	51.8	0.3	57.3	2.9	31.1	2.8	93.9	89.5	71.4
Central	80.7	24.6	30.7	0.3	52.5	4.4	37.7	3.8	91.6	61.6	58.7
Southern	79.6	28.9	33.7	0.2	55.6	3.4	35.7	0.4	90.0	56.1	49.2

Housing:

As may be noted from the table above, four out of every five households in Malawi own the house they are occupying. More female-headed households than male-headed households own the household they are occupying. Of the three regions of the country, the northern region has a higher number of households owning the house. They are occupying at 85 per cent while the south has the least proportion at 79. Taking into consideration expenditure quintiles, the table above reveals that the lowest quintile has almost nine out of ten households being owned by the occupants. The situation is steadily declining until the fourth quintile. There is a slight jump from the fourth quintile to the lowest quintile whereby the fourth quintile has 81 percent relative to 64 per cent ownership among the highest quintile.

There are notable differences between rural and urban areas in terms of ownership of households. Since most houses in the rural areas are traditional, the occupants mainly own them. Less than 15 percent of people in the rural areas do not own the houses they are occupying. The situation is very different in the urban centers where over half of the households do not own the houses they are occupying. This is common since many households may be occupying rented houses.

Bed & Table:

There are rather small differences in terms of distribution of beds and tables in the country. Overall, about a third of the households own these assets. More male-headed households own a bed and a table relative to female-headed households. Across regions of the country, the above table reveals that over half of the households in the northern region have at least a bed and a table. The central and southern regions have about a third of households owning such items whereby more households reported having tables than beds. The distribution of beds and tables is increasing from the first quintile to the last quintile. Close to half of households in the fifth quintile have reported having a bed and a chair relative to about one-fifth in the first quintile. The urban-rural distribution reveals that as many as 60 per cent of the urban households own a bed and a table. Households owning a bed are more (63%) relative to those owning a table (55%). However, in the rural areas, the situation is reversed in the rural areas whereby more rural households (31%) own tables relative to beds (25%).

Television & VCR

A very small proportion of households in Malawi own either a television and or a VCR. The table above reveals that only 3.74 per cent of the households in Malawi have a television. Most of such households, as revealed from the table above, are male-headed. Only one per cent of female-headed households have reported having a television. Looking across the main regions of the country, the central region is where more households have television sets (4%) relative to the other regions. Considering expenditure quintiles, it may be noted that almost all the television sets are owned by the fifth quintile (11%). The situation also shows that the proportion of households owning a television set in the urban areas is almost ten times higher than that of rural households.

Hoe

There are clear indications that Malawi is an agricultural economy if we consider the proportion of households owning a hoe. Overall, 91 percent of households in the country have at least a hoe. This is the highest number recorded across all the assets. Emphasizing the same importance, it may be noted that differences between male and female-headed households are very negligible implying that whether a household is headed by a man or a woman, there will still be need to own a hoe. Despite this importance, different cultural practices across regions of the country may still play an important role. As the table above reveals, the proportion of households owning a hoe is higher in the northern region at 94 per cent and declining slowly southwards. Of the five expenditure groups, only four percent of households in the first quintile do not own a hoe while about 18 per cent of households in the fifth quintile do not have a hoe.