

## Development Dynamics: Malawi

Malawi is a **landlocked** country found in **southern Africa**. It has a rank on the **Human Development Index (HDI)** of:

**172 out of 189 countries.**

Malawi ranks poorly on the **HDI** because:

- It has a **rapidly growing population**, with 19.4 million inhabitants, but it cannot support this rate of population growth.
- **Environmental degradation** and the difficult physical environment means there is **limited land available** for development. **One third** of Malawi is taken up by lakes and unsustainable farming is damaging the land.
- Only **35%** of children aged 11 complete primary education. This means there are less people in **professional roles** which support development (doctors, engineers, teachers etc.)



Malawi has a mixed track record of political and economic development:

Political Development	Economic Development
<p>😊 Malawi has had a <b>stable governance</b> since 1964. The present day government is a coalition (mixture) of <b>different political groups</b>, meaning a wide range of opinions are shared.</p>	<p>😞 <b>80%</b> of the population relies on <b>agriculture</b> for employment and food supplies. Unfortunately, agriculture is negatively impacted by <b>climate change</b>: irregular rainfall and intense heat waves often cause major disruption and devastate crops.</p>
<p>😞 Malawi has a <b>high corruption rate</b> (rated 123 out of 180 countries). This is mainly due to widespread <b>bribery</b> within the courts and justice system.</p>	<p>😊 The economy has grown in recent years, with an average growth of <b>4% each year</b>.</p>
<p>😊 Malawi receives a great deal of <b>international support</b>, including from: the UK, The World Bank, NGOs (such as Christian Aid and Water Aid). These aid agencies provide <b>financial support</b> for the government to invest in development, as well as providing <b>short-term aid</b> during <b>food shortages</b>.</p>	<p>😞 The high corruption rate <b>limits international investments</b>, so business is mainly <b>small-scale and local</b> rather than <b>large international businesses</b> that can support more development.</p>
	<p>😞 <b>51%</b> of the population live in relative <b>poverty</b>, with 25% of the entire population living in extreme poverty (poverty is defined as when family income falls below <b>\$1.90 per day</b>).</p>

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## Challenges Facing Malawi:

Malawi faces several **challenges** before it can improve their level of development long-term.

### Climate

Malawi's economy **relies heavily on agriculture**, meaning the climate is extremely important for its development. The environment in Malawi is already under stress; **intensive farming** strips the soils of **nutrients** and increases **soil erosion**.

On top of this, Malawi is now experiencing the impacts of **climate change**. Farmers are seeing **reduced rainfall** and longer heatwaves, which contributes to **crop failures** and widespread food shortages.



*A Malawian farmer. Source: bond.org.uk*

### Physical Isolation

Malawi is **landlocked** (completely surrounded by land) meaning farmers and other businesses cannot export their goods overseas directly. If businesses wish to export goods, they have to **send them by train** to the port of Mozambique. This is a slow transport method and adds to the **cost of trade**, reducing profits from exporting goods to other countries.

In addition, Malawi has a **mountainous relief** (the landscape is **rocky and hilly**) which is very difficult to build infrastructure on. This means in rural areas especially, there are **poor telecommunications and transport links** between villages, which isolates people from the rest of the country (and the world).

**85% of Malawi's population is rural**, so a large proportion of people have to deal with poorly constructed **dirt roads** as their only means of travel. Due to poor access and communication with other areas, economic development is limited in these areas.



*Dirt roads in rural Malawi. Source: MalawianStyle.com*



## Trade & Globalisation

Malawi exports the majority of its goods (including **tobacco, tea, coffee and sugar**) to **Europe and Russia**, but these exports face regulations and expensive **tariffs**.

For example, EU tariffs on processed goods (i.e. manufactured products or cooked products) are higher than **unprocessed goods** (i.e. raw materials). To avoid the high tariffs, Malawi **exports lower-value unprocessed goods** (like raw coffee beans) rather than **higher-value processed goods** (like roasted coffee beans) to avoid the high tariffs, which limits the profits that can be made from international trade.

Due to these tariffs and regulations, Malawi cannot make as much **profit from trade** compared to European countries where these tariffs do not apply, which severely limits Malawi's ability to grow economically. **Globalisation isn't always fair**, especially for developing countries.



A tobacco auction. Source: [www.imf.org](http://www.imf.org)

