

General Context

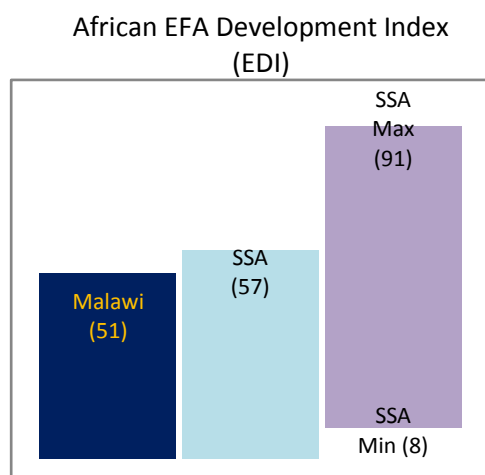
A state of 15.9 million inhabitants in 2012, Malawi, a landlocked country of south-east Africa, has witnessed sustained economic growth, with a rate estimated at 2.9 percent over 2000-12. With economic growth (4.3 percent per year over the 2000-12 period) being slightly higher than demographic growth, Malawian living standards have somewhat improved, although they remain very weak, as shown by the level of GDP per capita of US\$ 265 in 2012. Thus, Malawi's HDI is among the lowest, ranking it 170th out of 187 countries. The share of the population of primary school age (for an eight-year cycle), represented 21.9 percent of the total population in 2012, a slightly higher rate than that observed in Sub-Saharan Africa (17.6 percent), reflecting a relatively strong level of demographic pressure on the national education sector. Despite this, the country is successfully enrolling almost all its children in school. Indeed, barely 2.5 percent of primary school-aged children were out-of-school in 2012. However, HIV&AIDS prevalence, estimated at 10 percent in 2012, is high, presenting a considerable challenge that greatly weakens the education system on both demand and supply sides, and this since decades.

Demographic and Macroeconomic Context (2012)

GDP per Capita (US\$)	265
Total Population ('000)	15,906
% of the Population of Primary School Age	21.9
% of Out-of-School Children of Primary School Age	2.5
HIV&AIDS Prevalence (15-49 years)	10.0%
HDI (Ranking)	170/187

Key EFA Indicators for 2012 or Most Recent Year

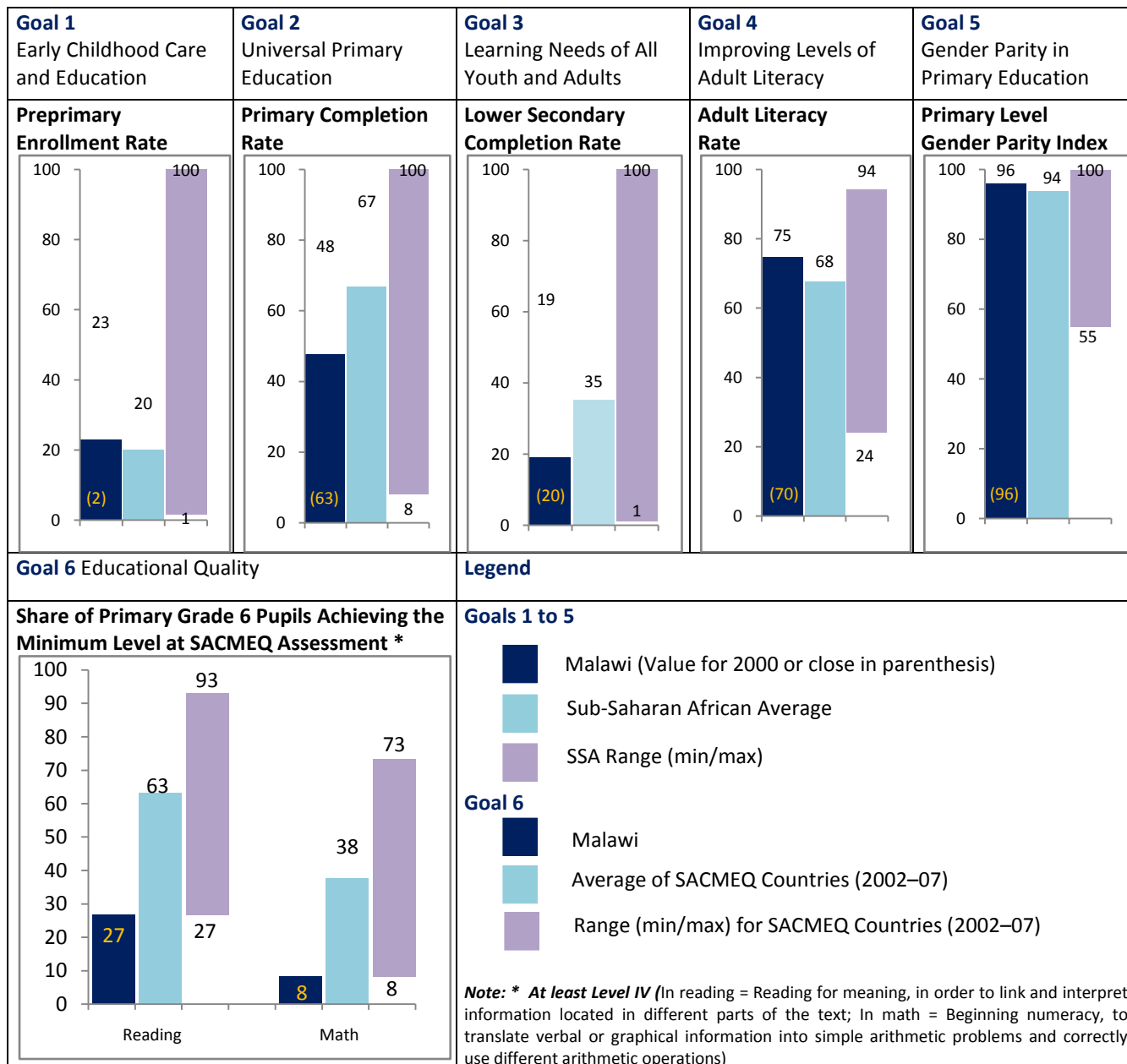
The African EFA Development Index for Malawi was 51.0 in 2012, below the average level registered for Sub-Saharan Africa (57.1) and in recession compared to 2000 (57.2). This drop is due in great part to the significant deterioration of the primary completion rate, from 62.6 percent to



47.6 percent over the 2000-11 period. This illustrates a great rise in school dropout over the period, originated both in supply (schools are at pain to offer pupils a quality learning environment) and demand-side factors (particularly poverty). However, progress has been registered in terms of girls' education at the primary level. The gender parity goal has virtually been achieved (*Goal 5*), even if girls are slightly over-represented (the boy/girl GER ratio is 96 percent). The adult literacy rate for individuals aged 15 years or more (*Goal 4*) was 74.8 percent in 2012, on the rise compared to 2005 when it was 69.9 percent, and above

the average for Sub-Saharan Africa (67.6 percent).

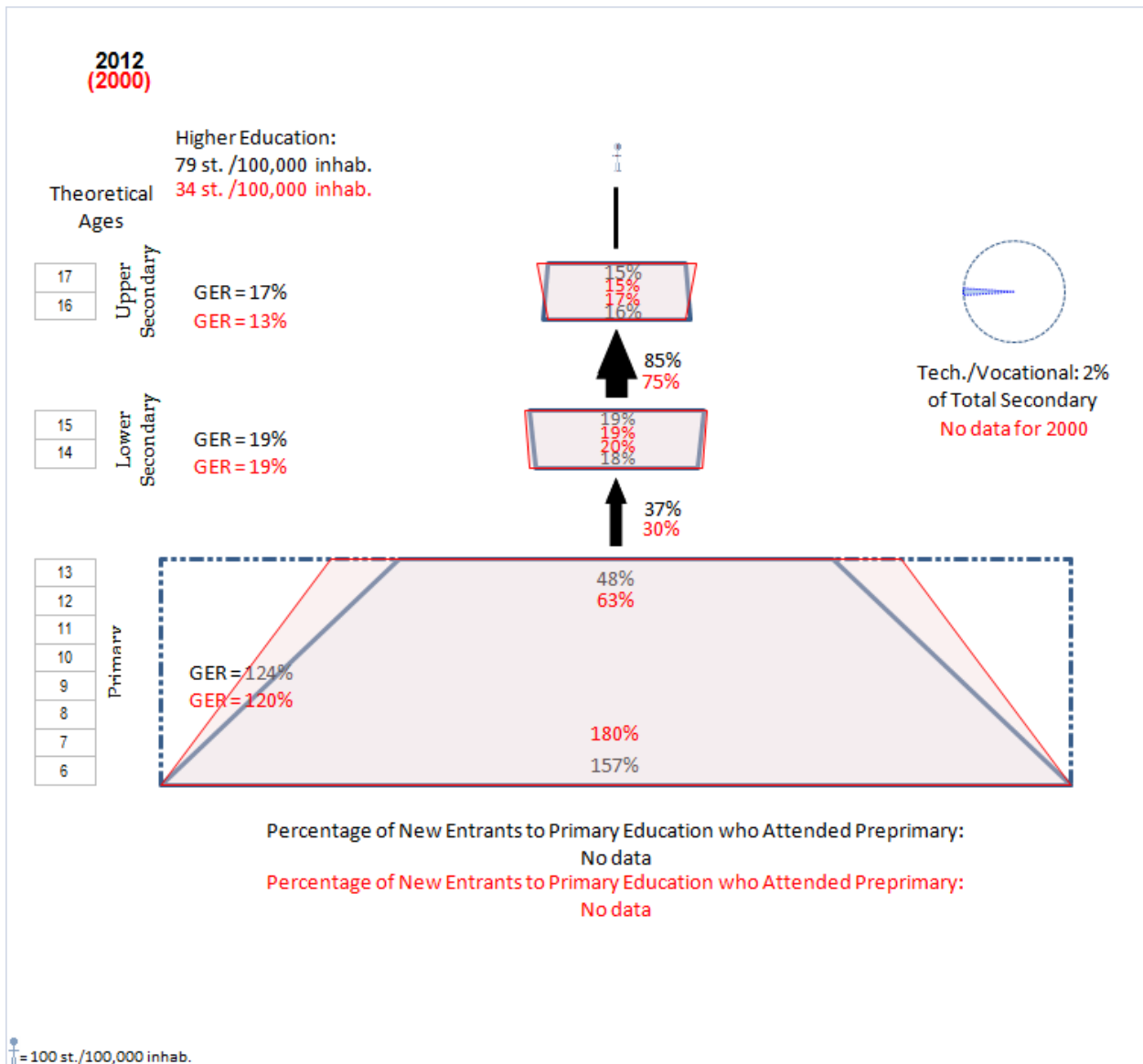
Reviewing other EFA dimensions, preprimary enrollment (*Goal 1*) has seen stellar growth, with the GER increasing from 2 percent to 23 percent over 2000 to 2007, well above the 20 percent average for Sub-Saharan Africa. The lower secondary completion rate has stagnated, at about 20 percent, which is considerably lower than the regional average of 35 percent.



Enrollment: Education Pyramids 2012 or Most Recent Year

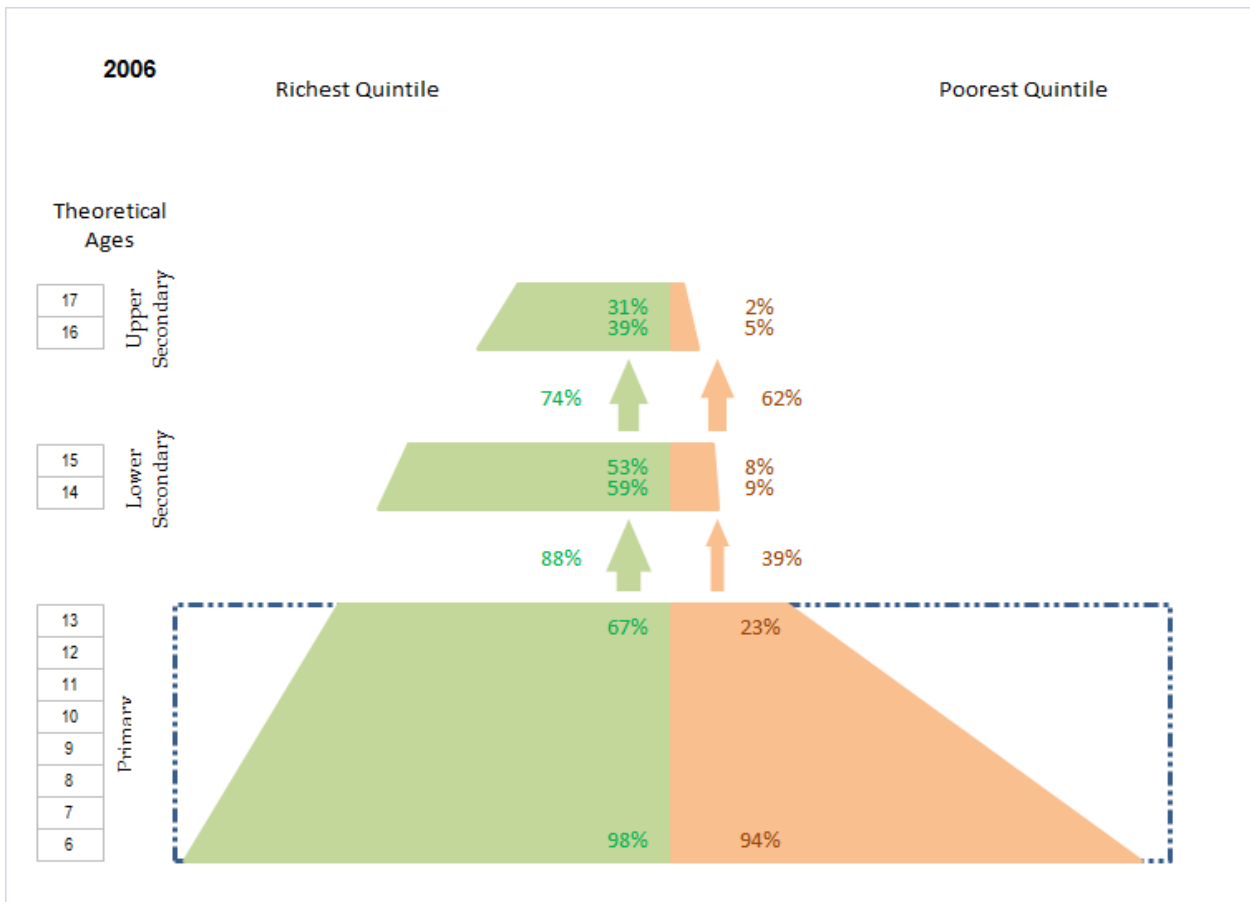
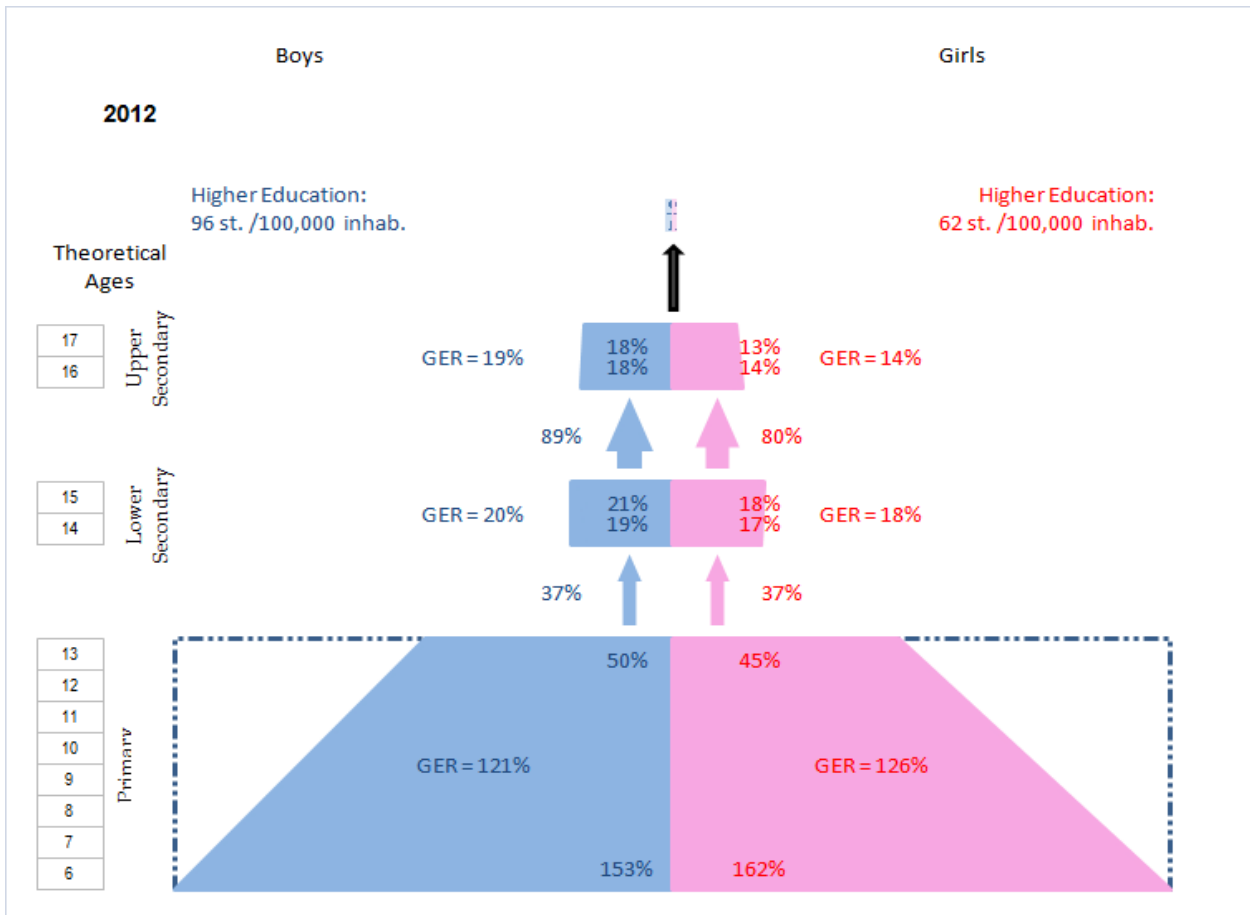
The schooling profiles and education pyramids show stagnation and sometimes deterioration in enrollment levels. If primary access is today almost universal, this is marked by significant age issues, as reflected by the access rate, estimated at 157 percent. The primary level also continues to be plagued by a significant number of dropouts, fed by high levels of repetition (19.1 percent on average for the cycle, against 12.6 percent for Sub-Saharan Africa), resulting in only 47.5 percent of a generation of children completing the eight-year primary cycle. The transition between cycles has

on the other hand improved, from 30 percent to 37 percent between primary and lower secondary, and from 75 percent to 85 percent between the two secondary subcycles. These evolutions have led to a stagnation of the lower secondary GER (at 19 percent) and to a slight improvement of the upper secondary GER, from 13 percent in 2000 to 17 percent in 2012. The student population has also grown, to reach 79 students per 100,000 inhabitants in 2012, although it is still way behind the Sub-Saharan average (632 students per 100,000 inhabitants). The development of technical education has been modest, representing 2 percent of total secondary enrollment in 2007, well below the average for Sub-Saharan Africa (10 percent).



Equity in School Access and Schooling Careers 2012 or Most Recent Year

In terms of equity, disparities in the enrollment of girls and boys are observed at every level, and widen higher up the education ladder. Slightly favored at the primary level, girls become slightly disadvantaged at lower secondary (girl/boy GER ratio of 0.90) and are even more so at upper secondary (0.73) and especially at higher education (0.65).



However, beyond gender, it is families' socioeconomic background that appears to be especially discriminating. Indeed, 2006 data indicate that, although not apparent at primary access (access is universal), gaps between socioeconomic groups are quickly manifest during primary schooling, leading to a parity index of 0.34 at the end of the cycle: for every 100 rich pupils that complete primary, only 34 poor pupils do. The progression throughout the subsequent cycles and the transition from one cycle to the next are also more limited for children from the poorest backgrounds. Finally, only 2 percent of children from the poorest backgrounds reach the end of secondary, against 31 percent of those from the wealthiest backgrounds.

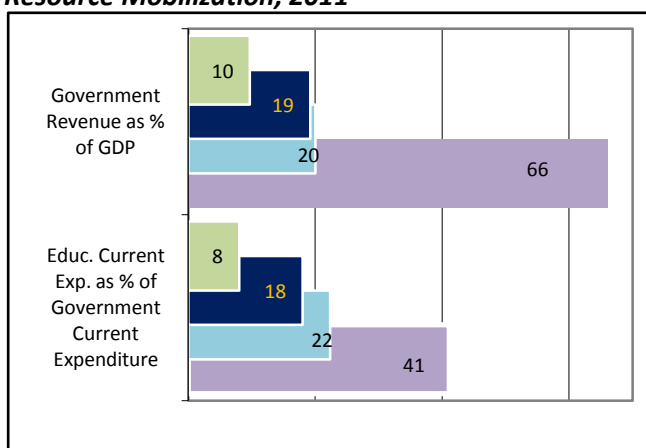
Learning Quality 2012 or Most Recent Year

The quality of teaching (*Goal 6*) remains a significant challenge for the sector. At the last SACMEQ assessment (2007), Malawi was ranked last with barely 27 percent of primary Grade 6 pupils achieving the minimum Level 4 in reading (*Reading for meaning: reads on or reads back in order to link and interpret information located in different parts of the text*) and 8 percent in math (*Beginning numeracy: Translates verbal or graphical information into simple arithmetic problems. Uses multiple different arithmetic operations, in the correct order, on whole numbers, fractions and/or decimals*). These levels are well below the average levels of the countries participating in the assessment, of 63 and 38 percent respectively.

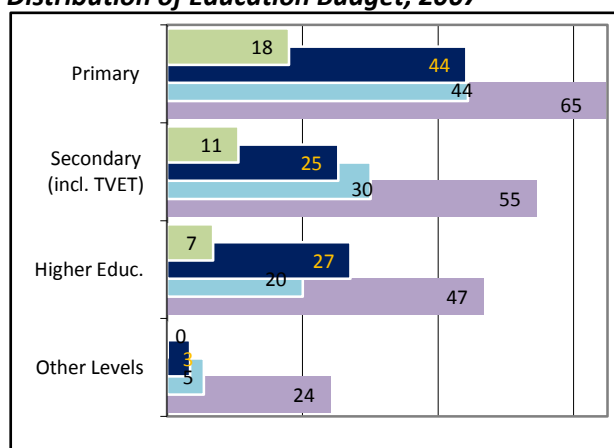
Education Financing 2012 or Most Recent Year



Resource Mobilization, 2011



Distribution of Education Budget, 2007



Economic growth registered over the decade has been accompanied by an increase in the government's domestic resources, equivalent to 19.2 percent of GDP in 2011. This improvement in the mobilization of domestic revenue puts Malawi closer to the average level observed in Sub-Saharan Africa (20.0 percent). However, the share of public recurrent expenditure devoted to education, although variable, has fallen slightly to reach 18 percent in 2011 (against 22 percent for the countries of Sub-Saharan Africa), revealing a drop in the priority given to the sector by the government.

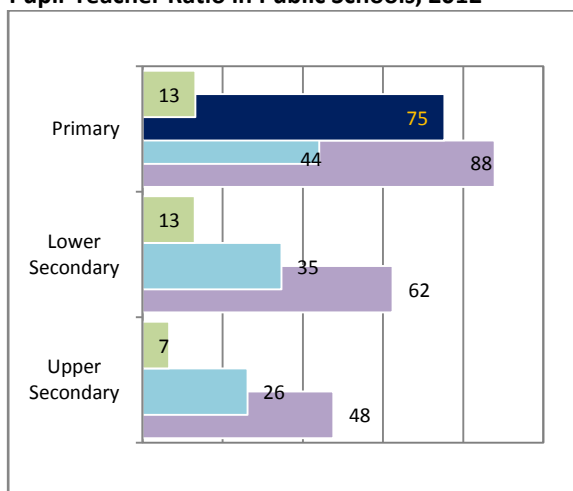
In 2008, primary education absorbed 44 percent of the recurrent education budget, less than in 2000 (49 percent), which suggests a drop in the priority given to this level. Over the same period, the share allocated to secondary has varied little, being 25 percent in 2008 (slightly below the Sub-Saharan average of 30 percent). The drop in the financing of the primary level has in fact benefitted higher education, which over the 2000-08 period has seen its share of the budget increase from 20 percent to 27 percent of recurrent education spending, seven percentage points higher than the average for Sub-Saharan Africa.

Education Policy Parameters 2012 or Most Recent Year

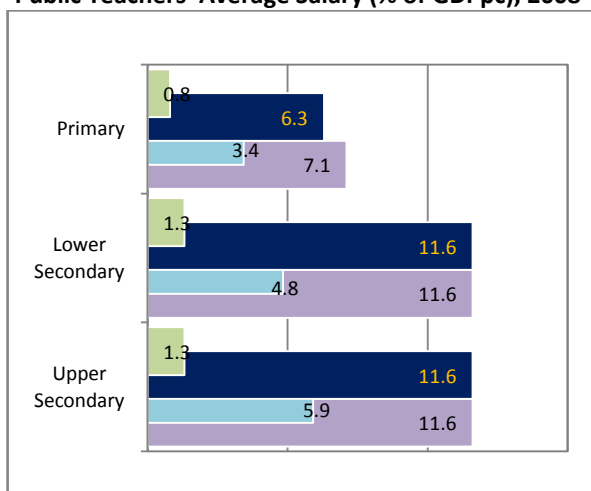
With respect to the different components of education policy over the 2000-08 period, it is noted that the public unit cost of primary education was 7 percent of GDP per capita in 2008, below that of Sub-Saharan Africa (11 percent). At the secondary level, public unit costs were set at 28 percent of GDP per capita, which in this instance is above the average level for Sub-Saharan Africa (24 percent). The low level of primary public unit costs is explained in first instance by the pupil-teacher ratio (75:1), which is very high compared to the regional average (44:1), but also by a level of non-teaching salary spending that is relatively lower in Malawi (18 percent, against 24 percent in Sub-Saharan Africa). The relatively high average cost of teachers (6.3 units of GDP per capita, against 3.4 units for Sub-Saharan Africa) tends to increase the level of public unit costs. This higher cost of teaching labor is especially apparent at the secondary level, where a teacher costs 11.6 percent of GDP per capita on average, the highest level throughout Sub-Saharan Africa. The system also has high proportions of repeaters, at the primary level, but also at upper secondary where close to 11.6 percent of pupils repeat a year (against 13.3 percent in Sub-Saharan Africa). As for TVET and higher education, unit costs are of 141 percent and 2,147 percent of GDP per capita respectively, the highest levels recorded in this latter area.



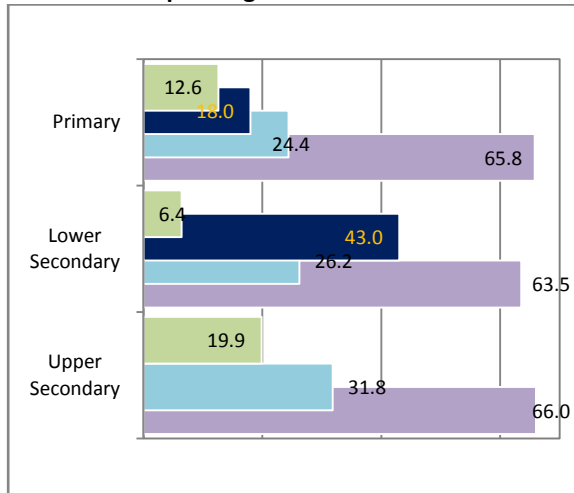
Pupil-Teacher Ratio in Public Schools, 2012



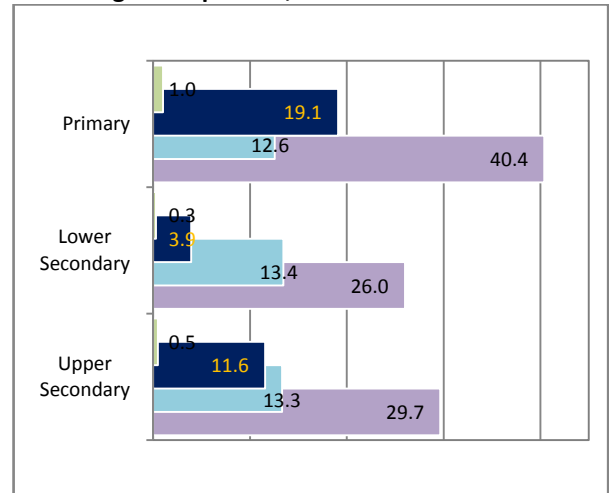
Public Teachers' Average Salary (% of GDPpc), 2008



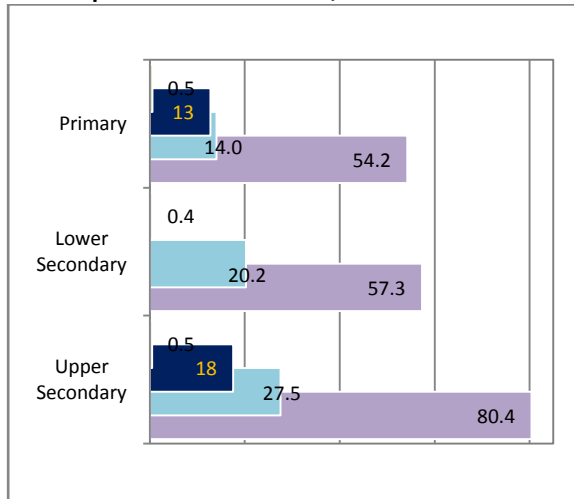
% of Current Spending Other than Teachers' Salaries, 2008



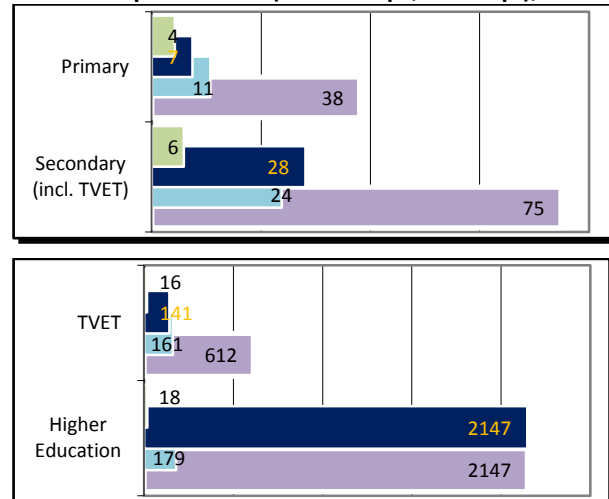
Percentage of Repeaters, 2012



% of Pupils in Private Schools, 2012



Public Cost per Student (% of GDP pc, Cur. Exp.), 2011



A final aspect of education policy relates to the place of the private sector in education supply. In 2012, its contribution was considerable, although slighter than is generally observed throughout the continent. Thus, 12.7 percent of primary and 17.6 percent of upper secondary enrollment was in private schools in 2012, against 14.1 percent and 27.9 percent for Sub-Saharan Africa, respectively.