

## THE ROLE OF INTERNATIONAL FUNDING IN FUTURE FERTILITY DECLINES AMONG INTERMEDIATE-FERTILITY COUNTRIES

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The intent of this paper is to speculate on the course of future fertility in “intermediate fertility countries” on the basis of an examination of the role that external funding has played in fertility declines in the recent past. My hope was to be able to show that the level of external funding has played some part in determining the pace of fertility decline in many countries to date and to be able to argue, therefore, that the pace and extent of future declines may be affected by prospective external funding.

“Intermediate fertility countries” are defined by the United Nations Population Division, the organizers of the conference for which this paper was prepared, as having total fertility rates (TFRs) above replacement level (2.1) and below 5.0. There are around 74 such countries in the world today, nearly all of them in the developing world regions of Asia, Africa, the Middle East, and Latin America.

In what follows, I looked at three sets of parameters for a subgroup of 20 countries, including many of the largest countries in this group: the pace of fertility (TFR) decline between 1955-60 and 1995-2000; the amounts of external and domestic funding committed to population programs in 1982, 1986, and 1989<sup>1</sup>; and the countries’ “program effort” scores in 1999. I attempted to select a cross-section of countries from various regions, with differing levels of external support, and with differing degrees of “political will” to reduce fertility. The countries differ quite substantially with respect to how conducive their “social setting” is and has been to fertility decline. Seven of the countries are in Asia (Bangladesh, India, Indonesia, Malaysia, Nepal, the Philippines, and Vietnam), three in sub-Saharan Africa (Botswana, Ghana, and Kenya), six in Latin America (Brazil, Colombia, Dominican Republic, Guatemala, Mexico, and Peru) and four are in the Middle East/West Asia/North Africa (Egypt, Iran, Morocco and Tunisia).

Other papers in this conference are examining a broad range of additional determinants of fertility decline in the intermediate fertility countries. Collectively, it is hoped, they will provide a fairly comprehensive explanation of previous fertility decline as well as a plausible and compelling guide to the future. This paper recognizes that a host of factors other than public policy and expenditure levels affect the course of fertility change. Indeed, it is probable that for most countries, these other factors are considerably more important than either policy or spending in explaining fertility decline. Yet, there is a considerable literature suggesting that political commitment and the commitment of financial resources can and do significantly influence the timing and the pace of fertility transition.

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<sup>1</sup> Data by recipient country were not available for subsequent years – a severe constraint on the analysis.

Berelson laid out a framework in the 1970s that remains a valid way to appraise whether and when fertility will decline in a country. He juxtaposed what he called the *social setting* – whether and to what extent various socio-economic conditions were conducive to spontaneous fertility decline; and *program effort* – the degree to which the government commits itself to bringing fertility down. To some degree, Berelson argued, each dimension can substitute for the other: countries with highly conducive social settings need apply much less program effort than countries with constrained social settings; and countries with weak social settings need far more political will and program effort to achieve fertility declines equivalent to those of the more socio-economically favored countries. Levels of funding and the program effort scores can be regarded as measures of political will.

I had hoped that it would be possible to show that countries with high levels of political will and significant external assistance achieved more rapid fertility declines, *ceteris paribus*, than countries in which either or both factors were lower. Looking at program efforts scores (Ross et al, 1999) and internal funding levels (PAI 1995) as measures of political will, and at external funding (UNFPA, 1982, 1986 and 1989) as an exogenous (although not unrelated) factor, I hoped to find some patterns or suggestions of association. Regrettably, none emerged from the analysis. I reproduce the raw table and four regressions here to show that no significant associations were found [forthcoming]. Fertility declines in the 20 countries are not related in any statistically significant way with any of the independent variables: “program effort,” internal funding, or external funding.

Why would this be the case? I do not think the lack of statistical association means that neither political will nor external funding had anything to do with the fertility declines these countries experienced. Rather, I think the relationship between these factors and fertility decline was so confounded by other factors that the effect of political will and external funding more or less washed out. The “other factors” that might account for the absence of a correlation almost certainly include such powerful fertility determinants as female education, infant/young child mortality, urbanization, female non-agricultural employment, and women’s autonomy, among others.

In addition, I suspect that the methodological approach I selected to try to identify the independent effect of funding and policy was inappropriate or, perhaps more accurately, insufficient. I was not able to gather data that would have permitted time-lagging, such that expenditures at Time 1 could be related to fertility levels at Time 2, for example. John Cleland, in his article “Different Pathways to Fertility Decline,” may have chosen a better approach. He selected pairs of countries that, at least in statistical terms, were quite similar with respect to a host of socio-economic development measures and levels of pre-transition fertility. In each pair (North and South Korea, the Philippines and Indonesia, Colombia and Mexico, Bangladesh and Pakistan), one country experienced significantly faster fertility decline than the other. Cleland attributed the differences to the extent to which ideational change occurred in these societies, as well as (and partly because of) the quality and strength of their population policies and family planning programs.

While this approach lacks the elegance of multiple regression analysis, it is more contextual in nature and appeals to the common sense of informed observers. It helps us to understand why fertility fell much faster in Bangladesh than in Pakistan, in Indonesia than in the Philippines, in South than in North Korea). Indeed, I believe that in each case, it is clear that a strong government commitment, manifested in strong public statements by the political leadership and significant commitment of internal budgetary resources, and backed by external financial support, accounts for much of the observed difference in fertility outcomes.

The papers presented at this conference by Bongaarts and Ross, taken together, answer many of the questions about the relative importance of socio-economic development and program effort in explaining fertility decline. Bongaarts shows quite persuasively that socio-economic development level remains a powerful determinant of the level at which fertility decline begins and later slows, while Ross shows that social setting and program effort generally co-vary and that program effort makes an important difference in the pace at which fertility declines. Indeed, both Bongaarts and Ross assert that family planning programs, by improving the efficiency with which couples can avoid unwanted pregnancies, have brought fertility levels much lower, much faster than would have happened in their absence. Caldwell makes much the same point rather forcefully.

So, what of external funding? Has it made a difference and will it make a difference in the future? Part of the reason for the weak correlation between external funding levels and fertility decline is that money often has flowed to countries for reasons that are essentially unrelated to their commitment either to fertility reduction or to development. During much of the Cold War, money flowed for geo-political rather than developmental reasons, so that countries with weak commitments to either development or population policies, such as Pakistan, Nepal, the Philippines, Zaire (now Congo), Somalia, and El Salvador, to name a few, received significant funding (including, in many cases, ostensible population assistance) despite their acknowledged lack of interest or inability to use the resources well. On the other hand, Bangladesh has become the prime example of a country which, by dint of an exceptional political commitment backed by generous external aid, produced fertility declines all out of proportion to what its progress on the conventional development indicators would have predicted. Other countries which have “outperformed expectations” based on development indicators are Kenya, Ghana, and Indonesia (particularly during the 1970s) – all major recipients of external aid.

I conclude from this that external aid cannot substitute for sound development policies, population policies and political will but where the latter are present, external assistance can significantly accelerate the process of fertility decline. Examples of a few countries in which I believe external assistance has accelerated fertility declines, beyond those just mentioned, are Korea, Thailand, Egypt, Jordan, Tunisia, Morocco, Zimbabwe, Botswana, Mexico, Brazil, Costa Rica, the Dominican Republic, Ecuador, and Peru. Where population policy is imbedded in a progressive set of development policies and the government is able to use external assistance effectively, this assistance can make – and has made – a large difference in the pace at which fertility declines.

This brings me finally, to the future, and the principal purpose of this conference: will future external funding produce more rapid fertility decline than demographers would otherwise expect? I fear not – not because external funding doesn’t matter, but because I worry that it won’t be there, at least in significant quantities. The record on development assistance since the end of the Cold War has been abysmal. Since 1990, ODA levels have been essentially flat in nominal terms, which means they have actually declined in real terms. For more than a decade, development assistance has languished, in part because, as in the United States, the political imperative diminished, and in part because, as in Japan and Germany, economic malaise (in the former) and competing domestic priorities (in the latter) intervened.

On top of that, assistance for population programs has fallen well short of the goals set at the International Conference on Population and Development in 1994. The Cairo ICPD estimated that \$17 billion a year would be required from all sources by 2000 to implement the program of action. The reality is that at most, countries are spending half that much on an annual basis.

Furthermore, the donor share of the \$8-9 billion currently being spent amounts to no more than perhaps \$2.0 billion – well under half of the \$5.6 billion Cairo called for. Now, it is possible, because the Cairo agenda is quite broad, that \$17 billion represents somewhat more than would be required if fertility reduction were its sole objective, but in truth \$17 billion is quite a conservative estimate and is probably well within the range of what ought to be spent if the only goal were to “complete the demographic transition.” As Caldwell notes, there is reason to be concerned about this decline in support for population programs. In addition to the fact that the slowing pace of decline in fertility in many intermediate fertility countries may be attributable to declining international resources available to support population programs, there is the very significant fact that we are in the era of the largest cohort of reproductive aged people in history. Even assuming that desired fertility among these people is consistent with replacement, or near-replacement, fertility, international funding could make a major difference in how much unplanned or unwanted childbearing actually occurs. Because the numbers are so large, the consequences of even small differences in unwanted fertility will also be very large.

In addition to the stagnation in overall funding and the failure to make much progress on the ICPD funding goals, I nonetheless sense a broader decline in interest in population growth as a matter of international and public concern among both countries and international agencies. Signs of this declining sense of urgency are all around us: in the absence of ICPD goals in the Millennium goals; in the failure of the forthcoming environment conference at Johannesburg to even mention population as an important causative factor in environmental problems; in the apparent consensus not to have another decennial intergovernmental conference on population and development in 2004; in the virtual absence of sexual and reproductive health considerations in WHO- and World Bank-led discussions of health sector strategies and policy reform; and in growing media preoccupation with aging and below replacement fertility, such that the central demographic theme in international political discourse has shifted from concern about population growth to concern about the consequences of rapid fertility decline and low fertility levels.

It seems to me unlikely that this trend away from concern about high fertility will be reversed and that external assistance for programs to reduce fertility will once again increase. Funding is likely to be available in the coming years, perhaps even in more generous amounts than in the past, to promote health sector reform and to deal with such pressing health problems as HIV/AIDS. Some of this funding may strengthen services that promote sexual and reproductive health and could, as a consequence, help to reduce unwanted fertility. But the absence of a sense of urgency about high fertility at senior policy levels, either in donor capitals or in most developing countries, suggests to me that the “population movement,” as it has existed since the 1960s, may be close to having run its course. Thus, if external assistance ever was a major factor in promoting the rapid fertility declines that have occurred in most parts of the developing world over the past four decades, it seems most unlikely to be a major factor in the foreseeable future. Far more important than external assistance will be domestic resources and a continuation of the global momentum toward a small family norm that the population movement helped to stimulate in the 1960s and 1970s and that now appears to be in evidence virtually everywhere.

TABLE 1

Country	Total Fertility Rate <sup>1</sup>					Total External Funding <sup>2</sup>			1995 Expenditures on FAMILY PLANNING			Program Effort Score		Change in TFR 1985-1990 and TFR 1995-2000	
	1955-1960	1965-1970	1975-1980	1985-1990	1995-2000	1982	1986	1989	Domestic Expenditures <sup>3</sup>	External Funding <sup>4</sup>	Total Funds <sup>5</sup>	Policy Score <sup>6</sup>	Overall Score <sup>7</sup>	Absolute Difference <sup>8</sup>	Percent Change <sup>9</sup>
Bangladesh	6.90	6.80	5.70	4.80	3.80	36,148	4,3311	49,923	35.7	99.7	135.4	69	69	1.00	20.8
Botswana	6.70	6.80	6.37	5.40	4.35	508	283	631	.4	2.0	2.4	65	66	1.05	19.4
Brazil	6.15	5.38	4.31	2.96	2.27	6,987	7,666	11,973	125.8	11.6	137.4	43	43	.69	23.3
Colombia	6.76	6.18	4.34	3.17	2.80	5,854	3,571	6,498	22.5	6.1	28.6	47	66	.37	11.7
Dominican Republic	7.40	6.68	4.70	3.61	2.88	1,813	1,139	2,133	2.3	3.6	5.9	65	67	.73	20.2
Egypt	6.97	6.56	5.27	4.58	3.40	3,943	11,850	16,712	24.7	17.9	42.6	67	59	1.18	25.8
Ghana	6.90	6.90	6.90	6.00	4.60	620	1,876	4,772	2.7	8.6	11.3	65	52	1.40	23.3
Guatemala	6.93	6.60	6.40	5.80	4.93	1,826	2,490	5,504	1.5	10.8	12.3	37	57	.87	15.0
India	5.92	5.69	4.83	4.08	3.32	20,113	23,415	32,401	260.1	100.5	360.6	69	68	.76	18.6
Indonesia	5.67	5.57	4.73	3.50	2.60	27,307	18,894	13,632	186.2	32.4	218.6	87	84	.90	25.7
Iran	7.00	6.80	6.00	5.60	3.20	0	121	597	33.3	7.7	41.0	58	61	2.40	42.9
Kenya	7.82	8.12	7.90	6.75	4.60	6,957	4,908	20,277	3.5	26.7	30.2	48	56	2.15	31.9
Malaysia	6.94	5.94	4.16	4.00	3.26	1,194	2,030	1,458	17.4	2.1	19.5	54	54	.74	19.0
Mexico	6.96	6.82	5.30	3.61	2.75	11,168	5,555	10,629	94.6	13.9	108.5	72	74	.86	23.8
Morocco	7.18	7.09	5.90	4.60	3.40	3,626	5,634	8,642	13.8	10.0	23.8	59	63	1.20	26.1
Nepal	5.76	5.92	5.65	5.31	4.83	6,561	8,525	5,697	2.3	5.2	7.5	62	51	.48	9.0
Peru	6.85	6.56	5.38	4.00	2.98	2,539	4,452	7,952	3.4	7.8	11.2	58	59	1.02	25.5
Philippines	7.13	6.50	5.50	4.55	3.64	19,532	7,697	7,905	10.5	20.4	30.9	65	60	.91	20.0
Tunisia	7.04	6.89	5.69	4.12	2.31	4,649	1,555	3,904	9.2	8.3	17.5	79	82	1.81	43.9
Vietnam	6.55	7.25	5.89	4.02	2.50	2,368	2,529	10,845	7.7	7.3	15.0	85	67	1.52	37.8

<sup>1</sup> Source: United Nations Population Division, World Population Prospects: The 2000 Revision, Volume 1: Comprehensive Table

<sup>2</sup> Thousands of US dollars. "Global Population Assistance Report 1982-1989" UNFPA, 1991, Table 10.

<sup>3</sup> Millions of US dollars. Government plus Consumer spending. Source: "Family Planning Expenditures in 79 Countries: A Current Assessment by Population Action International.

<sup>4</sup> Millions of US dollars. World Bank plus Donor Assistance. Source: "Family Planning Expenditures in 79 Countries: A Current Assessment by Population Action International.

<sup>5</sup> Millions of US dollars. Source: "Family Planning Expenditures in 79 Countries: A Current Assessment by Population Action International.

<sup>6</sup> Expressed as percent of maximum. Table A.14. Appendix A. Profiles for Family Planning and Reproductive Health Programs. By John Ross, John Stover, and Amy Willard.

<sup>7</sup> Expressed as percent of maximum. Sum of all indices, maximum of 120. Table A.14. Appendix A. Profiles for Family Planning and Reproductive Health Programs. By John Ross, John Stover, and Amy Willard.

<sup>8</sup> Absolute difference between TFR 1985-1990 and TFR 1995-2000.

<sup>9</sup> The percent change between TFR 1985-1990 and TFR 1995-2000.