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Environmental Change and Security Program

Making the Case for U.S. International Family Planning Assistance (Report Launch)

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Edited Transcript—Steven Sinding

Thanks very much for the Woodrow Wilson Center for so graciously hosting what I think is the first formal presentation in Washington of this report. I would like to apologize at the outset to all the women in the audience that, despite the fact that the Office of Population over time achieved something approaching gender equity, we haven't done very well in achieving that in this afternoon's presentation. But I assure you it's entirely coincidental. Liz very much wanted to be here but couldn't be and the same with Margaret. I also like to assure you that the fact that the three of us males are here presenting today does not in any way reflect our relative contributions to the report. As anybody who knows Liz and Margaret can certainly imagine their fingerprints and thumbprints are all over this report, and it would have been much poorer if it hadn't been a product of all five of us.

It's really good to be here. I think if the term "preaching to the choir" ever had meaning, it has meaning in this context, because I see so many friends who I know agree with us, and believe in what this report says, but thank you very much for coming and please give copies of the report to all your friends and enemies.

Duff is going to be presenting the paper, itself, which is primarily about how USAID could productively and effectively use significantly more resources if they were available, and he will also talk about the political barriers to achieving that. As Geoff mentioned, Joe and I are going to be talking more about the why, the report is about the what, and it doesn't go into a lot of detail about why this issue remains important, why family planning still ought to be a high priority in U.S. development assistance and development cooperation, and so in today's presentation, each of us is going to spend a little bit of time talking about the why question and Joe's case the environmental why, in my case the economic why.

And in that sense I regard myself as something of an imposter, because as Ruth will be the first to tell you, I'm not an expert nor a contributor to the very considerable literature on economic demographic relationships, but I have been a longtime student of that work, have



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followed it intently, even bear some responsibility for the production of some of the research, including the infamous, to some, to others 1986 National Academy Report, which introduced, officially, the era, which I'll talk about a little bit more of what Allen Kelly called -- what did he call it? I'm blocking -- revisionist thinking about the relationship, but let me proceed.

The debate about the relationship between economic development and fertility or demography really takes two forms. At one level it takes the form of the question, "Does the number of children that a family has affect the well-being of that family and its prospects for the future?" At the macro level the same version of that debate has to do with the relationship between rapid population growth at the societal level, and the prospects for economic development or economic performance.

But the adverse of the debate is the other direction, which is, "Does income level or poverty status affect fertility outcomes at the family level?" And at the macro level, does the performance of an economy affect fertility of the society as a whole.

I think that over the years, a fairly broad consensus has emerged that rising prosperity, whether at the family level or at the national level, does lead to declining fertility and reusing population growth, so I'm not really going to talk about that. My focus is going to be on the still much more contentious question of whether reduced fertility improves the economic prospects of societies and families.

So let's start with the macro level and what we know at the macro level. The debate goes back to Thomas Malthus, you all know that, and revolves around two questions that divided the Malthusians and the Marxians over two centuries or more. Should we reduce population growth in order to avoid a whole variety of calamities? Including economic stagnation, and the other side of that debate, which is the Marxian response, which is should we address poverty and inequality as a result of which population growth will fall naturally? And the great debate in development economics really for two centuries has revolved around those two points of view.

There have been, really, three stages in the modern era of thinking about this: In the immediate post World War II period, when the reality of explosive population growth in the developing world first was recognized by demographers at the U.N. The initial response on the part of -- the development community generally, and the internal community generally



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was a Malthusian, or neo-Malthusian response. Exemplified in the work of Ansley Coale and Edwin Hoover, but also seen in the work of Gunnar Myrdal and his Asian drama and the work of Stephen Enke and others, basically saying that rapid population growth significantly reduces the prospect for economic development and economic improvement. And that the way to address the issue is largely through family planning and other measures to reduce rapid population growth.

In 1972, the National Academy of Sciences produced a report which strongly underscored and reinforced that conclusion. Then development economics in examining the empirical relationship between high fertility and economic outcomes, discovered in many analyses that the relationship was a very weak one, and a very difficult one to discern, that in fact the economic performance of countries appeared to vary independently of their demographic change. And that it was very hard to argue on the basis of observing the performance of countries through the '60s and into the '70s that reducing fertility had very much benefit from an economic development stand point. That became the revisionist view as Allen Kelley characterized it, and it was sanctified by the 1986 national academy report which essentially said that population is -- approaches being a neutral factor. At very high levels it certainly can have a negative effect, but it's hardly determinative. Julian Simon certainly was the best known leader of the revisionist view, in fact taking the contrary view that not only was it not mutual, but in fact population growth is a positive factor for development.

So where are we today? Where we are today I think, and we'll argue, is at revisionism revised. And this has come about largely as the consequence of a new body of research, which revolves around the concept of the demographic bonus, or the demographic window of opportunity. This is work that largely has been centered at Harvard, but also at the University of Hawaii and a couple of other centers. Mostly associated with David Blume and David Canning, who have looked very carefully at a number of national cases, most particularly the Asian Tigers and the once Celtic Tiger.

And they argue, as I think most of you are aware, that if you look at age structure, you can discern a very real affect of demographic change on economic performance and economic outcomes. That, you know, if -- if you look just at economic performance and demographic change without looking at what lies beneath the surface, yes you'll get wishy washy results, but if you look at what happens to the age structure of a population, it really does make a difference, and to make a very long story short, what they argue and what they show in their research is the countries which manage to reduce fertility, particularly if they do so relatively



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rapidly. Create a period during which the working-age population is quite large in comparison with the dependent population, both at the young and at the old end of the age spectrum.

But that unique moment in a country's demographic history represents an important window of opportunity. They don't argue that it automatically translates into improvements in economic performance, but they do argue that it creates the opportunity that did not exist at a period of high fertility and will not exist at a -- during a period of high, old-age dependency, to pursue a set of economic policies that can result in very rapid economic growth. And that, they argue, is what happened in the case of the Asian Tigers who did it quite explicitly. And out of that has emerged a new kind of, I would say emerging consensus in development economics, that demography can make a very significant difference in economic outcomes although it is not a sufficient condition for that to happen, and in fact in looking at the performance of countries over time, they would argue that many of the countries of Latin America that created the window of opportunity failed to cash in on it over the last two decades or so.

The African countries haven't yet reached the point where one can look at that question, and the rest of the world apart from East Asia is sort of -- varies between success stories and lack of success, depending upon the economic policies that they pursue at the same time. I say this is not by any means a consensus, but it is an emerging. Let me try to go more rapidly.

At the micro level we actually know less, in part because data are fewer and further between, harder to collect and far more expensive to collect. But there are now sufficient bodies of longitudinal household information, which have enabled economic demographers, who are -- or development economists, to look at the relationship over time between fertility at the family level and what happens to the prospects of those families.

The study that I think is most persuasive and to me the most dramatic, is one that Paul Shultz and Joshi, a student of his at Yale, carried out on Matlab data, the famous Matlab experiment, in which Shultz, who was a long time skeptic about the demographic economic relationship, found and concluded that, in fact, families which reduce the fertility have done significantly better over a 15 to 20 year period than families that didn't, and that in this microanalysis it becomes clear for the first time that there is a relationship that looks causal.



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But the direction of causality is still something of a debate. I think that the data on parental intentions, with respect to fertility, helps us to understand the direction of causality. The finding over time, year after year in country after country of the level of unmet need and the level of unintended pregnancy suggests that a great many families, given the opportunity to reduce their fertility, would do so, and suggest that they at least understand that if they were able to reduce their fertility, this might quite significantly increase the opportunities for themselves, but most particularly for their children.

So, I think Nancy Birdsall, who has studied this question as long as anybody, and with I think an objective an eye as anybody I know said in the volume that she and Allen Kelley and I co-edited back in the -- around 2000, called "Population Matters" which I think probably many of you have seen, says that, "high fertility exacerbates poverty or, better put, it makes poverty reduction more difficult and less likely." And I think that's a conclusion with which most economists who have looked most carefully to this question would today agree.

So let's look just at a few trends and prospects. One of the things that's very interesting is that poverty levels around the world have declined and have been declining steadily since 1980. If you look at these curves on the left hand side, the right hand side is just the same countries excluding China, but the one on the left hand side, these are just different poverty levels, whether one defines it in terms of a dollar a day up to two dollars a day, the trends are quite clear. These are World Bank data, by the way.

What's equally interesting, to me, is that in every region except sub-Saharan Africa, there has been some decline, I should say Eastern Europe and central Asia also are something of an exception, but as you can see the levels are extremely low -- there has been a decline in the percentage of people living on less than a dollar a day, but what really is striking is that if you take Asia out of the equation, the relationship looks very different. That black line, called the world, would look almost flat, it would look, in fact, like Latin America, which is the line just a bit below it.

World Bank economists have, for the most part, internalized the lessons of the East Asian Miracle and they now incorporate them in the policy advice they give to governments -- with the exception of the question of policies to reduce high fertility and rapid population growth. And it seems to me that the challenge that lies before us is somehow to break through the institutional or professional skepticism that continues to exist in the World Bank about these findings and this relationship. There is no institution that is more influential with ministers



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of finance and heads of state around the world than the World Bank. And if the bank were to persuade ministers of finance that reducing fertility is an important component of an economic growth and development strategy, I think it would make a very big difference in the future allocation of resources to family planning programs.

I can't end without saying a word about Africa. It's far from a hopeless case in my view. We've seen the success stories in South Africa and Botswana and Zimbabwe at a period in its history, Kenya at a period of its history, Rwanda more recently, the experimental case of Navrongo, which is essentially reinforces the findings of Matlab of 20 years earlier. The African successes have in every case, except the Navrongo experiment, been accompanied by very strong political commitment, and this brings me back to the World Bank story. If governments commit themselves to fertility reduction policies, they can be successful, in the absence of political commitment and the allocation of resources, these policies are not likely, particularly in extremely low income settings to be successful. Political leaders in far too many African states are not being advised to address population as a development issue, and this needs to change.

I'm not going to get into the debate here about what those policies should look like, except to say that obviously they should not be coercive. If there is one thing that we have learned over the last 20 years it's that by addressing the unsatisfied demand through voluntary programs, we can achieve these population outcomes without coercion or pressure or other forms of policy beyond family planning. So I am not advocating policies that would in any way diminish the autonomy for the power of women.



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