World Bank Lending for Population

The Bank has been heavily criticized in recent years for not doing more in the population field. A new OED study examines the Bank's population activities in eight countries.* It analyzes experience with different approaches used in different country circumstances.

Experience shows that even in poor countries making little social and economic progress, a process of fertility decline can be started by a typical family planning (FP) program. But evidence to date suggests that not even the best-run FP programs can raise the demand for family planning to replacement level. For this, broader socioeconomic change, or selective intervention that directly influences demand for children (e.g. women's education), is needed.

For the eight countries, higher funding for FP would not have made much difference to fertility trends. In the immediate future, some growth in Bank resources would be useful to increase staff inputs and expand population work into other sectors and countries, but no dramatic change in approach is called for. Over time, FP programs are likely to run into diminishing returns, and if progress is to continue they will need to be supplemented by efforts to directly influence demand for children. These efforts require research and experimentation and, possibly, changes in organizational arrangements and policies. They will take time and thus need to be initiated now.

Population trends

Total fertility rates (TFRs) have declined in all eight countries: slightly in Senegal; 20 percent of the way to replacement level from their peak of 8 children per woman in Kenya; 40 percent in Bangladesh; 50 percent in India; 60 percent in Indonesia; and more than 70 percent in Brazil, Colombia, and Mexico.

Mortality rates have also fallen substantially—in the Latin countries by about 50 percent since 1960. But fertility, mortality, and population growth rates remain high. Given the very young age structure of the eight countries and the present rates of change in fertility and mortality, their population growth rates are likely to stay near or above 2 percent a year for some time to come. These trends imply that in these countries on average, population will double before it stops growing.

Causes of fertility decline: Much of the fertility decline has been due to increased use of modern contraceptive methods; the rest largely reflects increases in women's age at marriage. These changes in turn reflect socioeconomic improvements—especially the better educational, employment, and social status of women, falling infant mortality, decreasing opportunities for child labor, and decreasing dependence on children for old-age security—plus family planning programs which make available modern contraceptives and information about them.

In Brazil, Colombia, and Mexico, both general improvements in living standards and sizeable, effective family planning services have combined to bring about the demographic changes.

Indonesia has also achieved sizeable social and economic improvements but remains a more rural, traditional society with higher maternal and child mortality rates. Its government-sponsored family planning program has compensated for this difference in various ways, especially the effective network of outreach

Operational Lessons

Besides pointing up the need to broaden the scope of population activities, the case studies suggest several improvements that can be made within population projects and more traditional lines of activity:

- Early projects tended to emphasize expansion of physical infrastructure, assuming "software" elements would be provided by government or other donors. This assumption is now recognized as wrong in many instances, and steps have begun to be taken to right the balance.
- The tendency for population projects to grow, and to fund increasing quantities of recurrent costs, needs careful monitoring to ensure that absorptive capacity and sustainability limits are not being overwhelmed.
- More concern about cost containment and internal efficiency within family planning projects and programs is needed.
- Bank and country ability to assess project and program effectiveness is poor; project components for monitoring and evaluation and the establishment of research capacity are important.
- Efforts in the population field require patience but eventually pay off. This fact should influence the way targets and criteria for assessing population activities are established. Non-project activities—dialogue, sector work, efforts to establish country policies, to improve organizational arrangements, and to change rules and regulations—are very important; they need to be specifically rewarded and encouraged.

Senegal has had too little social and economic development and too little program development for a significant impact on fertility.

Bangladesh has had very little social and economic progress, but substantial program development, and a substantial reduction in fertility (for details see Precis No. 8).

The Bank's role

Indonesia: About one percent of the Bank's lending to Indonesia has been for population activities. This amount has supplied about 10 percent of the government's spending on its population program; other donors have contributed 20 percent. The BKKBN (the National Family Planning Program) is commonly seen as one of the most effective family planning organizations in the world. Thus the Bank operated more as a bank than as a development institution, reacting to project proposals submitted to it by the Indonesian authorities. This was appropriate, given the client's considerable capacity and the roles being played by other donors, particularly USAID, in helping develop operational policies and implementation tactics.

In future, however, the Bank may need to change its approach. Indonesia now has much less need for massive infrastructure programs. USAID has signaled its intention to scale back its inputs, partly because it believes Indonesia now needs less technical assistance and grant funds. And the formula that has worked to bring fertility down from 5.5 to 3.5 children per woman may not work to bring it down from 3.5 to a replacement level of 2.1. The Bank could adjust to these changes by scaling back its activities as USAID is doing or by trying to fill the gap left by USAID. In different fields, some of both is probably needed.

India: Here, too, until recently, the Bank acted more like a traditional bank than a development institution. But this approach was much less suitable than in Indonesia, because of strategic problems with the program:

- excessive focus on sterilization;
- too little attention to program operations and quality as opposed to program expansion;
- excessive centralization and reliance on a single delivery system, and
- neglect of factors that can influence demand.

These are persistent, long-recognized problems. The Bank's lack of significant influence on this program has several reasons:

- The first population project in India (1972) started long after the country's approach was firmly entrenched.
- Bank lending was only a small fraction (3.6 percent in 1980-88) of
total expenditures on India's Family Welfare Program. Donors have contributed 12-14 percent of these expenditures but have never formed themselves into an effective coalition.

- The first five projects were area projects whose design discouraged the Bank's involvement in policy issues lying outside those areas, and discouraged experimentation even within those areas.
- Until the late 1980s, Bank sector work and staff inputs into the program were inadequate for more than an arms-length approach.

Promising recent initiatives include the sixth and seventh projects, started in 1989 and 1990, which focus on priority program components at the state level and include support for NGOs and social marketing; several good pieces of sector work that appear to be affecting the Bank-country dialogue; and the recently approved Child Survival and Safe Motherhood Project. Also, Bank efforts in Indian education, paying particular attention to women, have increased substantially.

_Bangladesh:_ The Bangladesh program suffers from many of the same weaknesses as the India program. But most of the substantial progress in increasing contraceptive use and reducing fertility can be attributed to program inputs. Probably the main reason is Bangladesh's outreach program, which is more extensive and active than India's.

Another reason may be that donors have played a more active role than in India in both planning and operations, in effect expanding the government's implementation capacity many fold. The Bank, which has played a leading role here, deserves considerable credit.

_Brazil, Colombia, Mexico:_ The Bank's current approach in Latin America is to focus on reproductive health and safe motherhood as the rationale for family planning. A more aggressive approach is unwarranted and politically unwise. Experience in these three countries emphasizes that in countries that do not accept population control as the rationale, lending for free-standing population projects may arouse opposition or suspicion, but population programs can successfully be based on a broader and more flexible set of principles. They can start from the goal of promoting sustainable improvements in living standards, and use family planning programs to assist at the macro level, by improving family health and choice, as well as at the micro level. Policy dialogue and sector analysis should discuss how (if at all) population programs should be developed and used in specific circumstances.

**Kenya:** Donors began urging the government to establish a major population program in the late 1960s, but the beginnings of a fertility decline could not be clearly seen until 1988/89. The Bank provided funding for four population-related projects, starting in 1974, and policy advice, seeking to influence the program through sector work and dialogue with the government. The first two Bank-supported projects helped establish a network of rural health facilities and training schools. Family planning components were weak and largely ignored during implementation, however, and during this period the population growth rate actually increased. The third and fourth projects have more substantial components related to population but were started too late (1988 and 1990) to have influenced the change in fertility trends.

Kenya's program appears to be broadly appropriate and in future should continue to expand, though with substantially more emphasis placed on quality of services, outreach, information, education, and communication.

Research and pilot studies are very important in the Kenyan context because knowledge is so limited about how, in the face of a strong pronatalist family system, to make significant progress in reducing desired family size. Between 1984 and 1987, the mean desired number of children per family fell from 5.8 to 4.4. But even if the gap between desired and actual family size were to be closed, the TFR would decline to only the 4-5 child range, which implies population growth above 2 percent a year. For a faster decrease in Kenya's fertility, something more than supply-side action is needed.

**Senegal:** Here the Bank has concentrated its population-related efforts on helping government to develop a comprehensive population policy. Unlike other major donors, which were actively developing FP services in Senegal, the Bank lacked field staff to help implement complex operations but it did have access to senior policy circles because of its much broader policy agenda. Development of a population policy statement was made a condition of a SAL. The policy statement has resulted in much greater progress than would have occurred otherwise, given the stagnation in living standards in recent years.

Focusing on country policy development may be a good approach for the Bank more generally in Francophone African countries, where the pronatalist colonial heritage has to be explicitly and publicly broken with to legitimize family planning activities.

Recently, the Bank has developed a project to extend family planning and other services to the lowest tier in Senegal's health delivery system. This approach is risky, given the government's limited capacity to administer and deliver services, but the urgency of the problem makes it worthwhile. The risks can be kept within
acceptable bounds by starting on a small scale and expanding slowly. But they call for much more thorough and intimate supervision than has been typical of Bank projects in Senegal.

**Issues for the future**

*Limits of supply-side approach:* Twenty years of experience clearly shows that even in poor countries that have not had much social and economic progress, a process of fertility decline can be started by a typical family planning program providing contraceptive supplies, services, and associated information. Progress will be faster if the program includes a strong outreach component and provides high-quality services based on clients' perceptions of needs. This requires good field supervision, good training, and good motivation—all features that are difficult to develop in poor, rural areas.

Evidence to date, however, suggests that not even the best-run of such programs can themselves raise contraceptive use enough to bring fertility rates down to replacement levels. Without significant socioeconomic development or special programs that directly influence demand for children, supply-oriented approaches may be enough to reduce the total fertility rate from 6 to 4, but other kinds of interventions are probably needed to reduce it from 4 to 2.

The Bank has not made enough effort to develop initiatives from this viewpoint. It has promoted general social and economic development, which is probably the strongest force for reducing desired family size and encouraging child spacing. But had these development efforts been undertaken with their potential demographic effects in mind—selecting interventions for their effectiveness in changing the implicit benefits and costs of large families—fertility rates might have fallen much further.

*Organization:* Previous reviews of the Bank population program have called for more emphasis on such demand-oriented factors, but have yielded little progress. One reason may be that population is still treated as a sector, with responsibility assigned to a specific administrative unit, implicitly leaving other sectoral units free from this responsibility. Yet population is no more a sector than economic development or poverty alleviation is a sector; all three are more in the nature of strategic objectives that should guide work in all sectors.

*Lending level:* In judging the Bank's level of lending for population it must be remembered that financial input alone is a poor indicator of level of effort, and also that the Bank's efforts cannot be assessed independently of what other donors, with grant funds at their disposal, are doing.

The case studies show no evidence that more financial resources for the types of projects the Bank is now funding in these countries would have made much difference. In future some additional funds would be useful in specific instances: to allow more staff inputs for supervision and technical assistance; to undertake more nonproject activities—more sector work, more collaboration and coordination with other donors, and a more proactive role in some countries; and to expand population-related activities outside the population "sector". More resources will also be needed for countries in which the Bank does not now have programs. But such changes would represent a modest reorientation and expansion of a program which, on the whole, appears to be on the right track.