Policy brief | October 2018

COST OF INACTION IN FAMILY PLANNING IN INDIA

An Analysis of Health and Economic Implications

"Vision FP 2020 for India is not just about providing contraceptive services ….but averting 23.9 million births, 1 million infants deaths and over 42,000 maternal deaths by 2020"

FP 2020 Vision Document, Family Planning Division, Government of India, 2014[1]

Summary

- Global evidence reveals that investing in family planning (FP) is one of the most cost-effective public health measures and a development "best buy".
- Prioritising family planning interventions can result in increased economic output, savings in government budgets and reduced out-of-pocket expenditure to households on healthcare.
- Effective family planning interventions can contribute to an additional per capita Gross Domestic Product of 13 per cent to the Indian economy over the next 15 years.
- States such as Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh are likely to witness substantial increase in their per capita State Domestic Product.
- A cumulative savings of up to ₹270 billion can accrue to the National Health Mission budget due to positive impact of family planning on maternal, child and adolescent health.
- Households can save one-fifth of their out-of-pocket expenditure on child birth and child hospitalisation.
- Inaction in family planning could result in India having additional maternal and infant mortality and unsafe abortions, additional child births that could have been averted from adherence to effective population policy strategies.
- By estimating cost of inaction and highlighting the high opportunity cost that could be incurred by the country due to low prioritization of family planning, the study calls upon policy makers, programme planners and managers to recognise the economic and health implications and make increased investments for family planning.

Background

India is one of the few countries, which officially adopted a national Family Planning Programme in 1952. The country has made significant progress since, with the decadal population growth reducing from 24 per cent in 1991 to 18 per cent in 2011 and reductions in total fertility rate from 3.4 in 1992-93 (NFHS-1)[2] to 2.2 in 2015-16 (NFHS-4)[3]. However, owing to high growth rates in the previous decades, the overall population will continue to grow as 53 per cent of the population is in the reproductive age group (15-49). Significant numbers of people in the country are unable to utilize the services they need even when they are available due to inadequate information and inaccessbility[4].

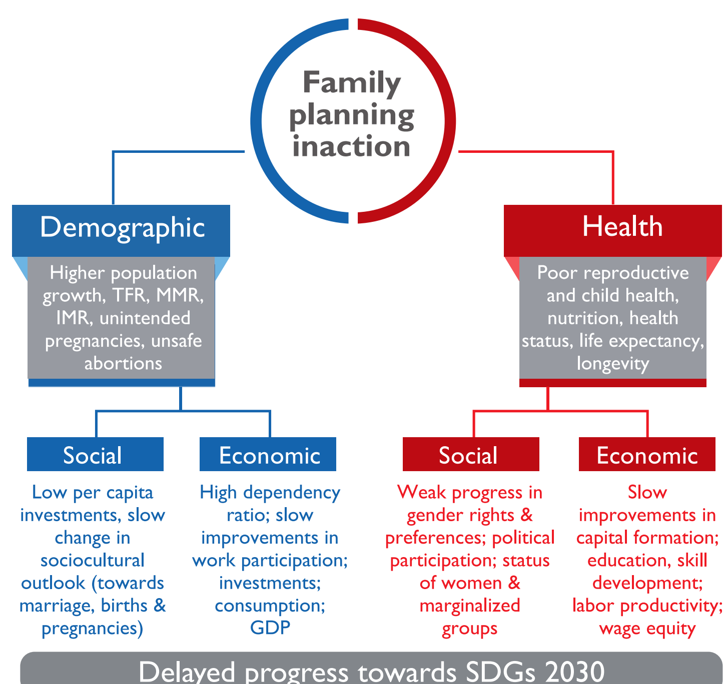
There is an unmet need of 13 per cent for modern methods of contraception, which translates to nearly 30 million women who either want to delay their next pregnancy or do not want any more children but are not accessing contraceptives. This is more relevant for marginalised groups. Contraception use is lowest, at 45 per cent, among women from Scheduled Tribes (STs), followed by Other Backward Classes (OBCs) at 47 per cent and those from Scheduled Castes (SCs) at 49 per cent (NFHS-4)[3]. Added to this is the modern contraceptive prevalence rate (mCPR) for spacing methods, which is extremely low at around 25 per cent. Given the country's young population with 50 per cent below the age of 25 and 65 per cent below the age of 35 years, the country is in a unique position to reap benefits of its demographic dividend. However, there is an urgent need to step up investment to bridge the gap of unmet need, reach services to the most vulnerable and meet the reproductive health needs of the young population.

Family planning: Why the urgency to accelerate action

The cost of inaction in family planning can be understood as the loss of potential benefits to individuals, households, economy and society if family planning is not treated as a priority. Tailoring appropriate family planning policies and programmes to meet the needs of the population is vital as it has the potential to improve the health of individuals, families and communities. Global evidence reveals that investing in family planning is one of

the most cost-effective public health measures and a development "best buy" as it has the potential to impact all 17 Sustainable Development Goals (SDGs)5, thus resulting in increased economic output, savings in government budgets and reduced out-of-pocket expenditure to households on healthcare.

Figure 1: Potential risks of family planning inaction: the conceptual framework



Resetting priorities by estimating cost of inaction in family planning

The study on 'Cost of Inaction in Family Planning in India' was commissioned by the Population Foundation of India (PFI) to understand the opportunity cost of investing in family planning and the consequences if family planning interventions are not adequately prioritised. PFI worked with India's leading demographers and economists on thinking through the study process and methodology. The results of this study are based on projections of different demographic variables related to family planning and through simulation models that establish the relationship between economic and demographic variables. The analysis has been done at the national level and in the High Focus states* of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh with projections for a 15-year period from 2016 – 2031. These states were selected as they constitute 37 per cent of total population and also lag in most family planning indicators. The findings on inaction are derived from analysis of two scenarios - **'Current scenario'** where existing strategies for family planning continue as they are and **'Policy scenario'** where family planning activities are prioritised to achieve goals set in the national and respective states' population policies.

Key findings

1. Implications of not adequately investing in family planning

The study indicates that if India continues with existing strategies for family planning, which may not take into account the emerging priorities such as reaching the most vulnerable, especially women with lower parity and youth, there could be severe implications on demographic and health indicators by 2031, especially in the High Focus States of Uttar Pradesh, Rajasthan, Bihar and Madhya Pradesh. These include:

i. Additional infant deaths: There could be 2.9 million additional infant deaths in India with 86 per cent of these deaths occurring in Bihar (21 per cent), Madhya Pradesh (17 per cent), Rajasthan (7 per cent) and Uttar Pradesh (41 per cent).

ii. Additional maternal deaths: It is estimated that there could be 1.2 million additional maternal deaths with four High Focus States contributing 58 per cent to the maternal deaths.

iii. Unsafe abortions: Inadequate access and availability of contraceptives could also result in 206 million unsafe abortions. However, an estimated 42 per cent unsafe abortions can be prevented if accesses to contraceptives are ensured in Uttar Pradesh, Bihar, Madhya Pradesh and Rajasthan.

iv. Additional newborns: 69 million additional children will be born, of which 26 per cent will be in Uttar Pradesh, 19 per cent in Bihar, 13 per cent in Madhya Pradesh and 4 per cent in Rajasthan.

v. Additional population: These four states are likely to contribute to 50 per cent of the overall additional population with Uttar Pradesh contributing to 20 per cent of the additional population, 16 per cent by Bihar and 9 per cent from Madhya Pradesh.

*Due to unacceptably high fertility and mortality indicators, the eight Empowered Action Group (EAG) states (Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Orissa, Rajasthan, Uttarakhand, Uttar Pradesh and Assam), which account for 48 per cent of India's population, are designated as "High Focus States" by Government of India

II. Estimated gains from investments in family planning

In addition to saving maternal lives and reducing infant mortality, adequate investment in family planning can also register an increase in per capita income, greater savings in government budgets and reduction in out-of-pocket expenditure on childbirth and child hospitalization for households.

With actively prioritised family planning policies, India will enjoy an additional per capita income of 13 per cent in 2026-31. This implies that the per capita GDP (PCGDP in 2004-05 prices) for India could be ₹ 153,368 under the Policy Scenario compared to ₹ 135,924 under the Current Scenario

Increase in Per Capita Gross Domestic Product

i. Economic gains for High Focus States: The increase in per capita State Domestic Product (PCSDP) for Madhya Pradesh, Uttar Pradesh and Bihar will be higher than the national average. In economic terms, this would translate into an additional per capita GDP of 18 per cent, 15 per cent and 14 per cent respectively, by 2031.

ii. Economic gains for India: India will have an additional increase in its per capita GDP growth rate by 0.4 per cent in 2026-31. High Focus States will accomplish an additional per capita SDP growth rate of 0.5 per cent in Madhya Pradesh and 0.4 per cent in Bihar.

Savings in government budgets

i. Savings accruing from reduced child births: There will be significant savings to maternal health, child health and immunization programmes.

Reduced child births will help the government to spend less on Reproductive and Child Health programmes under the National Health Mission.

There will be cumulative savings of ₹ 60,000 million in maternal health programmes, ₹ 13,000 million on immunization ₹ 3,000 million on child health programmes.

ii. Savings from delayed marriage and childbirth: Savings will be up to ₹ 5,500 million in Rashtriya Bal Swasthya Karyakram and ₹ 790 million in adolescent health programmes.

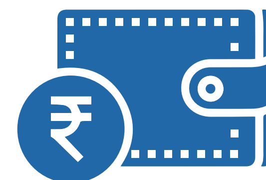
iii. Savings from trainings: Savings of up to ₹ 4,240 million can be registered from training costs of personnel in maternal and child health, family planning and adolescent health.

Savings to Government of India are estimated to be in the range of ₹ **270 billion on its National Health Mission (NHM) budget** during 2017–31.

iv. Savings from reduced incentives: The additional component of the National Health Mission that constitutes incentives to health care providers and frontline workers engaged in reproductive health and family planning programmes can be substantially reduced by ₹ 140,000 million.

v. Savings on medical supplies and equipment: Procurement of equipment, drugs and consumables for maternal, child and adolescent health can be reduced by ₹ 42,500 million.

Enhanced household savings



With fewer children, households in India can **save at least one–fifth of their total Out-of-Pocket Expenditure** on components of child care such as child birth and child hospitalization enabling greater savings for households in Madhya Pradesh (35 per cent) and Uttar Pradesh (30 per cent)

i. Savings in out-of-pocket expenditure (OOPE) on child birth: Total savings in OOPE for childbirth will be ₹ 715,320 million with Uttar Pradesh contributing 16 per cent to total savings and Bihar 9 per cent.

ii. Savings from reduced expenditure on child hospitalisation: Savings of up to ₹ 60,780 million can be made on OOPE in child hospitalisation with 11 per cent savings for households in Uttar Pradesh and 10 per cent in Bihar.

Recommended actions

In the last three years, several new family planning programmes have been introduced by the Government of India including three new methods for birth spacing, Mission Parivar Vikas for increasing contraceptive access in 145 high fertility districts and launch of a Logistics Management Information System (FP-LMIS) for streamlining supply and demand of contraceptives. However, there still remains a need to increase investment on FP programmes and policies that can meet the emerging needs of the unreached vulnerable population as well as the young people. Moreover, India is also committed to provide universal access to contraceptives by 2030 as part of its commitment to the Sustainable Development Goals.

Some key recommendations to strengthen the family planning programme are:

- **Specific strategies to address reproductive health needs of adolescents and youth:** Given the large proportion of population in the reproductive age group, there is a need to invest more on spacing methods besides focusing on specific Sexual and Reproductive Health strategies for adolescents and youth to address their sexual and reproductive health needs. Increasing access to information and reproductive health services, and reinforcing policies such as delaying age at marriage and empowering young people to take informed decisions on spacing between children will be useful to ensure stabilization of the population in the coming years.
- **Increased allocations for family planning:** There is a need today to step up budget allocations to accommodate the growing contraceptive requirements of the 53 per cent of India's population, which is in its reproductive age. Further, the allocations and programmes should be synchronised to reflect the need to shift focus from limiting to spacing methods and to activities that drive demand and cater to unmet need. Availability of a greater resource envelope for family planning in the national and state health budgets and accelerated spending, specifically across high TFR states such as Bihar and Uttar Pradesh can result in higher economic output, greater savings and return on investments as a result of reductions in fertility in the country.
- **Multi-sectoral response and community engagements:** While there has been emphasis on the supply side aspects of the health system, it is equally important to address the demand side factors through greater community engagements and multi-sectoral response. Best practices from Social and Behaviour Change Communication initiatives and convergence models such as state and district level working groups need to be scaled up.
- **Quality family planning services under Universal Health Coverage (UHC):** Existing policies ensure free provisioning of delivery care services as well as postnatal care in public health facilities; however there are issues with quality and access to services, especially in remote and underserved areas. Provision of quality FP services under UHC should be prioritised to promote safe motherhood and child healthcare.
- **Promote female education and labour force participation:** Simulation analysis reveals that economic gains can be much higher when female education and labour force participation are promoted and enabled. Development policies and initiatives in the country should actively promote avenues for economic empowerment of women by supporting their education and employment in skill-based industries and services.

References

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5. *Starbird, E., Norton, M., & Marcus, R. (2016). Investing in Family Planning: Key to Achieving the Sustainable Development Goals. Global Health: Science and Practice, 4(2), 191-210.*

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