CHAPTER I

INTRODUCTION

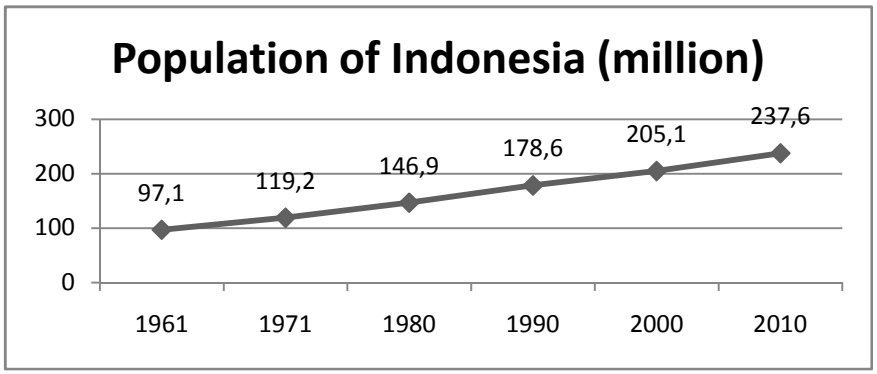
1.1 Background

The rapid growth of world's population has always been a main concern all over the world. According to the results of the World Population Prospects: 2015 Revision (UN), the world population reached 7.3 billion as of mid 2015, implying that the world has added approximately one billion people in the span of the last twelve years. Sixty per cent of the global population lives in Asia (4.4 billion), 16 per cent in Africa (1.2 billion), 10 per cent in Europe (738 million), 9 per cent in Latin America and the Caribbean (634 million) and the remaining 5 per cent in Northern America (358 million) and Oceania (39 million). The population of the more developed regions, currently estimated at slightly more than 1.2 billion persons, is anticipated to change little during the coming decades, whereas the population of developing countries is projected to rise steadily, from about 5.3 billion persons today to 7.8 billion persons by mid-century. At the country level, much of the overall increase between now and 2050 is projected to occur either in high-fertility countries, mainly in Africa, or in countries with large populations. During 2015-2050, half of the world's population growth is expected to be concentrated in nine countries; India, Nigeria, Pakistan, Democratic Republic of the Congo, Ethiopia, United Republic of Tanzania, United States of America, Indonesia and Uganda, listed according to the size of their contribution to the total growth. By 2050, six of the ten largest countries in the world are

expected to exceed 300 million: China, India, Indonesia, Nigeria, Pakistan and United States of America.

Indonesia, recognized as the fourth most populated countries in the world had projected as one of six countries that will contribute the biggest portion of world population. According to National Population Census conducted by Badan Pusat Statistik (National Statistic Bureau) in 1971 – 2010, the population of Indonesia had been multiplying two times in the span of 40 years period, from approximately 119 million in 1971 to 237 million in 2010. The population growth was steadily decreasing from 2.33 per cent in 1971-1980 to 1.44 per cent in 1990-2000, however, the number was slightly increase to 1.49 per cent in the latest census conducted in 2010 (BPS). Over the next 25 years, Indonesia can expect to experience very substantial population growth – an increase of 67 million or 28 per cent, although the rate of growth is projected to be gradually slowing to 0.62 per cent in 2030-2035 periods (UNFPA). With this large number of growth, Indonesia has continuously facing several population related issues.

Figure 1.1. Population of Indonesia



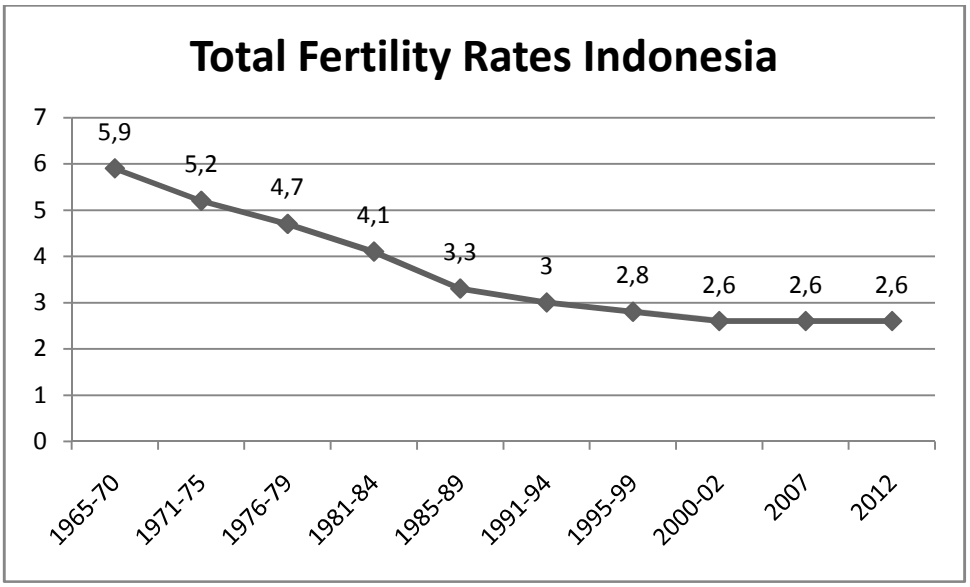
Source: National Population Census by National Statistic Bureau (BPS)

It is widely known that the population growth influenced by four factors, fertility, mortality, migrations and age structure, but fertility obviously played the main role. Total fertility rate (TFR) in simple terms refers to the total number of children born or likely to be born to a woman in her life time if she meets the prevailing rate of the age-specific fertility in the population (WHO, 2014). The rapid population growth experienced by Indonesia is mostly due to the high level of fertility. The comparison of Indonesia with its neighboring countries shows that the total fertility rate of Indonesia remains well above those of Malaysia, Vietnam and Thailand, although it placed below the Philippines. Whereas in 1985, Indonesia's fertility was well below that in Malaysia, India, Bangladesh and Vietnam, by 2010 all those countries had lower fertility in Indonesia. The stalling of Indonesia's TFR at 2.6 (half a child per woman higher than replacement fertility) means that total population is growing more rapidly than had been expected (Jones, 2013).

At the beginning of the 1970s, the Indonesia's total fertility rate was 5.6 children per woman, counted as a high fertility. During the 1970s there was much discussion of the government's goal of reducing fertility by one half by the turn of the twenty-first century. Although appeared unrealistic at that time, the targeted reduction was achieved by 1994. Between 1971 and 1994, the total fertility rate fell from 5.61 to 2.86 births per woman, or by 49 per cent (Pasay & Wongkaren, 2001). According to the survey conducted by Hirschman and Guest in 1990, the declining of fertility rate in four Southeast Asian countries including Indonesia was caused by several factors such as postponed marriage, increasing coverage of

access to quality reproductive health services, declining infant mortality rate, family structure, increasing adult for female as well, cultural traditions and religious beliefs (Dartanto, 2013). The fertility decline in Indonesia during 1970s through 1990s has known as one of the most demographic success in the world; however the fertility decline experienced until 1990s has not continued in the present century, fertility in 2012 was barely different from its level in 2002. According to Indonesia Demographic and Health Survey in 2002/2003 the TFR was 2.56 while in 2007 and 2012 the number had been stuck in 2.59 (BKKBN, 2013), thus bring forward the statement that Indonesia's TFR has been stalling for over one decade.

Figure 1.2. Total Fertility Rates (TFR) Indonesia



Source: 1987 Contraceptive Prevalence Survey and the Indonesia Demographic Health Survey of 1991, 1994, 1997, 2002-2003, 2007 and 2012.

The success story of Indonesia's demographic development and fertility decline began after Suharto became president in 1967. At that time, the government started to acknowledge that the country's population problem could not be separated from its development problems. The New Order's regime under Suharto administration had a very strong commitment to economic and political stability, upon which all population policy and program efforts have relied. One of effort in his population policy was the establishment of Badan Koordinasi Keluarga Berencana Nasional (BKKBN) by presidential decree in 1970. The head of the organization is appointed by the president and report directly to him, ensuring the effective execution of its policy and program. The BKKBN was given the mandate to coordinate all family planning activities performing by both the government and nongovernmental organizations (Pasay & Wongkaren, 2001). This strong central agency, other than supported by the president and the government itself, also received strategic, financial and technical support from international donor community. The centralistic character given by Suharto enabling BKKBN to organize vertical programs from the central level to the village, with lines of control and structures for actions implementation. The combination of strong commitment by the leader of the country and the central command of policy execution by BKKBN led the Indonesia's family planning program to become one of the world's greatest demographic success stories of the 20th century.

However, the success story discontinued after the government passed decentralization legislation in 1999. BKKBN was granted a waiver

and so did not decentralize until January 2004. The most prominent change to BKKBN was the lost of central control over the program and policy. With decentralization, the BKKBN district offices were moved in most cases, where in some districts the responsibility for family planning came under the office of Health, or Population, or Civil Registration, or Women's Empowerment or some combination of these (Hull & Mosley, 2009). The lack of commitment by the head of local government also marked the change. Although the family planning program is still one of obligatory functions (urusan wajib) at districts levels, the priority is set below other programs such as health and education, as it is allocated a very small share of the Anggaran Pendapatan Belanja Daerah, only between 0.04 and 0.2 per cent. The past success of family planning program lay mostly in the work of Petugas Lapangan Keluarga Berencana-PLKB (family planning fieldworkers) who's the main task is to encourage the couples to adopt small family size values and to use contraception. After decentralization, the PLKB belongs to the Kabupaten/Kota and the numbers declined significantly, thus the promotion of family planning is rather neglected at the local level, with great variation between districts (Jones & Adioetomo, 2014).

The link between decentralization and fertility has been studied in several developed and developing countries. The role of states in determining nonmarital fertility levels in Europe declined, the explanations for the changes include increased supranational integration, for example within European Union, and decentralization within states leading to increases in variation in sub national contextual conditions (Klusener. et

al, 2012). In China, a research using fertility rates as explanatory variables found that more fiscally decentralized provinces have lower infant mortality rates than the provinces that are the main spending authority, if certain conditions are met (Uchimura & Jutting, 2009). In India, a fertility transition index is developed to measure and monitor fertility transition at the district level, following the need of an effort in developing information system in decentralised population (Chaurasia, 2011). The Philippines experience indicates that decentralization in and of itself does not always improve the efficiency, equity and effectiveness of the health sector. Instead, it can exacerbate inequities, weaken local commitment to priority health issues and decrease the efficiency and effectiveness of service delivery by disrupting the referral chain (Lakshminarayanan, 2003). In Ethiopia, greater decentralization of health expenditure appears to be associated with improving indicators of health system outputs, such as vaccination rates, as well as substantive outcomes, such as fertility (Khan. et al, 2014).

Relatively few studies have focused on decentralization and fertility in Indonesia. Among those, Rahayu, Utomo and McDonald (2009) pointed that the contraceptive prevalence rate (CPR) which is one of the main factors of fertility decline, only increased by 4 per cent over ten years period of decentralization, suggesting a relatively weak performance of family planning program after decentralization, even though the knowledge of contraception is high among married women. The same result also found by Simatupang (2009), the proliferated municipalities' prevalence rate decline from 52 per cent to 48 per cent from 1997-2001,

likely due to the relative increase of out of pocket cost of contraceptive after the financial crisis. Hull and Mosley (2009) formulated recommendations regarding the flat trend of contraceptive prevalence rate and total fertility rate following the change of governmental system from centralization to decentralization. Hull and Mosley believed that there is a direct connection between the stagnancy of fertility rate with decentralization.

This study examines the link between decentralization and women fertility. By doing so, this study contributes to the existing literature on decentralization and women fertility in two ways. Firstly, this research will assess women fertility using national wide data of 497 districts. Secondly, this study will use multilevel model to account the household and individual within district in analyzing the factors affecting women fertility.

1.2 Research Questions

Based on the background above, this study raises the issue of decentralization and women fertility in Indonesia by promoting questions as follows:

1. Why fertility trends during decentralization were stagnant?
2. Does decentralization decrease/increase women fertility?
3. How does decentralization decrease/increase women fertility?

1.3 Aim And Objectives

This study aims to examine the linkage between decentralization and women fertility. To achieve this aim, this study has several objectives as follows:

1. To explain why fertility trends during decentralization were stagnant;
2. To examine the link between decentralization and women fertility in Indonesia;
3. To explain the channels by which decentralization decreases or increases women fertility in Indonesia.

1.4 Research Contributions

1. This study is expected to give information to the government to compose better strategies in order to control total fertility rate in decentralized Indonesia
2. This study is expected to enrich the existing literature of decentralization as well as fertility particularly in Indonesia which are rarely available.