

propel file

PROJECT AUTHORIZATION

1. PROJECT NUMBER 901-11-570-016	3. COUNTRY PPC - Inter-Regional	4. AUTHORIZATION NUMBER PPC-0014
2. PROJECT TITLE POPULATION/ECONOMIC GRCWTH ANALYSIS AND PRESENTATION		5. AUTHORIZATION DATE April 29, 1968
		6. PROP DATED April 24, 1968

7. LIFE OF PROJECT
 a. FIRST YEAR OF FUNDING: FY 1968 b. LAST YEAR OF PHYSICAL WORK: FY 1970

8. PLANNED FUNDING REQUIREMENTS - IN DOLLARS FY 1968 - \$150,000 - FY 1969 \$50,000

a. AID DOLLARS: GRANT: \$ 200,000 LOAN: \$ _____

b. AID CONTROLLED LOCAL CURRENCY - IN DOLLAR EQUIVALENTS: \$ 1 - _____

(1) U.S. OWNED: GRANT: \$ _____ LOAN: \$ _____

(2) COUNTRY OWNED: GRANT: \$ _____ LOAN: \$ _____

9. U.S. FOOD FOR FREEDOM IN DOLLARS

COMMODITIES	QUANTITY	CCC VALUE	OCEAN FREIGHT
_____	_____	\$ _____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____

d. OTHER CONTRIBUTIONS OF COOPERATING COUNTRY - IN DOLLAR EQUIVALENTS: \$ 1 - _____

GRANT: \$ _____ LOAN: \$ _____

IN KIND (Summarize): _____

e. OTHER DONOR CONTRIBUTIONS (Identify separately) IN DOLLAR EQUIVALENTS: \$ 1 - _____

GRANT: \$ _____ LOAN: \$ _____

OTHER, IN KIND (Summarize and quantify, if possible): _____

9. CLEARANCES DATE CLEARANCES DATE

PPC/TA/PARD:MLSchweiler	4/25/68	PPC/POL:ETHorbecko	4/26/68
AA/PPC:CFarrar (Substance)	4/26/68	PPC/TA:RISicCornick	4/26/68
AA/PPC:PGClark (Substance)	4/26/68	PPC/TA:KLovick	4/26/68
A/AID:RMPoats (Substance)	4/26/68		

10. Approved in substance for the life of the project as described in the PROP, subject to the availability of funds. Detailed planning with cooperating country and drafting of implementation documents is authorized.

This authorization is contingent upon timely completion of the self-help and other conditions listed in the PROP or attached thereto.

This authorization will be reviewed at such time as the objectives, scope and nature of the project and/or the magnitudes and scheduling of inputs or outputs deviate so significantly from the project as originally authorized as to warrant submission of a new or revised PROP.

Ortis Farrar

 SIGNATURE

ORTIS FARRAR

4/29/68

 DATE

NON-CAPITAL PROJECT PAPER (PROP)

Country: Inter-regional Projects - PFC

Project No. 901-11-570-016

Submission Date: April 24, 1968

Original X

Project Title: Population/Economic Growth Analysis and Presentation

U. S. Obligation Span: FY 1968 thru FY 1969

Physical Implementation Span: FY 1968 thru FY 1970.

Gross life-of-project Financial Requirements:

	FY 68 ^{1/}	FY 69 ^{2/}
U. S. I	150,000	50,000
Other: None		

A. SUMMARY

Still among the most critical impediments to development of suitable population programs in many countries is the absence of sufficient knowledge and understanding of the determinants and consequences of excessive rates of population growth. The primary objective of this project, therefore, would be to formulate, reproduce, and distribute as soon as possible suitable analytical models with guidelines and other materials to help USAID Missions and host country organizations analyze certain consequences of differences in birth rates and other demographic rates, for two purposes:

(1) So that effective programs can be carried out to promote a clear understanding of the probable economic, social, and political impacts of different birth rates and rates of population growth; and

(2) So that the planning for programs of education, social services, housing, urban facilities, etc., can properly take account of whatever changes in population and age structure may be anticipated.

For these purposes a contract would be negotiated with a suitable organization for preparation and delivery of certain analytical models, guidelines and other materials specified below, hopefully no later than November 30, 1968. Shipped in turn to USAID Missions as soon as possible but hopefully again no later than January 30, 1969, field personnel should

1/ Proposed for central funding.

2/ Possibly to be financed from Regional or Country funds.

be in a position to better (a) analyze and take into account in programming assistance and other resources, the dynamic interdependent variables which influence the course and consequences of demographic growth as related to economic, social and political development; and (b) facilitate the efforts of the less developed countries to achieve their social and economic objectives through better planning and a more comprehensive understanding of the role of demographic variables in their development process.

B. SETTING AND ENVIRONMENT

In accord with the concept of country program development, population program activities supported by AID must be jointly formulated by the host country and USAID to reflect the indigenous economic and social setting. Goals and required investment levels should evolve logically from an analytic appraisal of reliable demographic data and should recognize the longer-range dangers of an inadequate effort.

Because this field of activity is relatively new to U.S. policy interests, AID (especially its field missions) is in urgent need to improve its ability to program foreign assistance in ways which more suitably take into account the dynamic interdependent variables which influence the course and consequences of demographic growth as related to economic, social and political development.

Variation in the absolute level of population and in population growth rates influence the factor proportions of a nation as well as the level of per capita income and the distribution of the nation's wealth. Thus, demographic variation will influence the savings and investment patterns of a nation as well as the choice of production technique and the capital-output relationship. In this connection, there is a need to know how and in what ways the level of population and the rate of population growth may or may not be consistent with various policy goals (including employment levels, income distribution, and per-capita income) under varying national circumstances.

While the primary concern of development planning focuses particularly on economic considerations, social and political aspects cannot be ignored, if for no other reason than because of their influence on the growth process itself. For this reason, AID's interest in demography should be envisioned broadly enough to also include the relationship between demographic variation and the social and political structure of the nation in question.

Still more important is the need to facilitate efforts of the LDC's themselves to achieve their social and economic objectives through better planning and a more comprehensive understanding of the role of demographic variables in their development process.

Among the most critical impediments to development in many countries is the absence of sufficient knowledge and understanding of the determinants and consequences of high rates of population growth. It is well

known that the population of the world is increasing faster than ever before. What is insufficiently realized is why, in what ways, how it affects individual countries in particular and the urgency of action required to reduce the rate of increase.

The need is for greater knowledge and understanding on the part of development planners, bankers, industrialists and other leaders -- not only in fields of economic activity but in medicine, education and other professions -- in all walks of life -- social, political and military, as well as economic. In particular, their need is to know how high rates of population growth affect them personally, their respective fields of endeavor.

The problem is most acute in Latin America and Africa, where it is generally believed that because there are vast areas only sparsely settled and largely underdeveloped, national policies should encourage, not discourage population growth. But even in some densely settled countries such as India, finance ministers and other key decision makers in and outside of government sometimes are not enough concerned and anxious about the problem to give it a sufficiently high priority in budgeting their time and other resources.

Given time, even the most densely settled countries such as Pakistan, Indonesia and Egypt could accommodate populations substantially larger than their present ones. The more critical problem is the high rate of population growth rather than space. This is equally true of most of the sparsely settled countries of Latin America and of Africa. In most less developed countries, mortality probably will continue to decline and populations to increase at rates which will absorb substantial resources that could otherwise be deployed to meet the irrepressible demand for modernization and development.

Leaders in many countries (or insufficient numbers in the right places), however, sometimes do not adequately recognize, understand and take into account the nature of the problem. Not infrequently, for example, there is insufficient knowledge of how a high fertility rate in a given country may be contributing to a 0-15 year age group in the population, far larger than is possible for the economy to viably support. Or there may not be sufficient knowledge of how a disproportionately large and growing child dependency burden may be inhibiting adequate savings and capital accumulation for productive investment, sometimes adding to what might be already a politically explosive unemployment situation. Or there may not be sufficient knowledge of how increasingly large and rapidly growing numbers of women in the country may be turning to crude methods of abortion in the absence of modern family planning knowledge and techniques, as a means of choosing the timing and size of their families; how this practice may be placing an impossible burden on already overcrowded doctors' schedules, hospital and other medical facilities, and on future personnel and capital budgets; how the same may be true for budgets in all public service fields, including education in particular --

in addition to a variety of other problems to which rapid population growth may be a critically important contributing factor.

Where excessive population growth immediately or potentially imperil the achievement of development goals or causes the wastage of host country and U. S. resources, and the host country has not seriously contemplated necessary population program measures, AID should be in a position to systematically and thoroughly present and explain the factual demographic, economic and other data required for an understanding of the effects on development goals and programs.

The posture of the United States with respect to the problem of excessive population growth in cooperating countries must be clearly known and understood. It is not our role to persuade or to exert pressure for family programs. It is our responsibility, however, as a donor nation and as a major world food supplier to actively assure that our assistance and the LIC development programs which we support are both based on the most complete and reliable understanding of all the factors that influence economic and social development including the factors of population growth.

C. STRATEGY

Various measures can be taken. Most urgent perhaps are research and other studies to measure and analyze the determinants and consequences of demographic patterns and to help public authorities compare the cost of a genuine effort to control births with the cost of additional health, educational, transport and other public services and facilities, among other consequences of excessive population growth. Lacking authoritative studies of this kind, however, rough-and-ready analyses can be helpful together with simple flip charts and other persuasive audio/visual ways to present the material for use by development planners and as aids to better understanding by leading private and public officials and key decision makers in the developing countries. Programs of action of this kind should be considered by all USAID Missions.

While it is true that we do not sufficiently understand the interaction of all of the inter-determinant variables involved in population/economic growth dynamics, a few things can be safely suggested. The case for family planning/population programs, it is believed, when presented with care, assisted by visual analytical models and other materials of the kind proposed under this project, can be convincing -- to development planners, ministers of finance, transportation, labor and other branches of government -- to leaders in the fields of medicine, education, and other professions -- to leaders and key decision makers throughout less developed countries, in and out of government. While the benefits of family planning accrue and are felt perhaps most directly by the poor, the upper income groups benefit indirectly as well, and it is here where the articulate opposition most strongly resides.

The primary objective of this project, therefore, would be to formulate, reproduce, and distribute as soon as possible, analytical models with guidelines and other materials to help USAID Missions and host country organizations analyze certain consequences of differences in birth rates and other demographic rates, for two purposes:

(1) So that effective programs can be carried out to promote a clear understanding of the probable economic, social, and political impacts of different birth rates and rates of population growth; and

(2) So that the planning for programs of education, social services housing, urban facilities, etc., can properly take account of whatever changes in population and age structure may be anticipated.

Specifically, for these purposes, AID/W would have a contract organization prepare a conceptual framework or set of analytical models for measuring, analyzing and comparing the impact on overall economic development and priority sectoral requirements of different rates of population growth. The models would be designed so as to be applicable to specific and differing country situations through insertion of available data or realistic assumptions. The contractor would also prepare reproducible kits for use by USAID Missions and host country organizations to assist them in graphically presenting the results of their analyses.

It is not expected, however, that the results of this work would be available for distribution to USAID Missions until late this year. In the meantime, Missions would be encouraged to immediately begin planning for their use when they become available.

D. PLANNED TARGETS, RESULTS AND OUTPUTS

As soon as possible but no later than January 30, 1969, it is hoped to distribute to all USAID Missions the materials outlined above, with the result that they would be better able to (a) analyze and take into account in programming assistance and other resources, the dynamic interdependent variables which influence the course and consequences of demographic growth as related to economic social and political development; and (b) facilitate the efforts of the less developed countries to achieve their social and economic objectives through better planning and a more comprehensive understanding of the role of demographic variables in their development process.

E. COURSE OF ACTION

1. As soon as possible, but hopefully no later than June 1, 1968, a contract would be entered with a suitable organization to carry out the work described below. It is estimated that the contract organization would require the average-equivalent services of six professionals for four months, the costs of which together with supporting clerical, secretarial, computer, printing and other services, are estimated at about \$150,000 in FY 68. Another \$50,000 will be required to cover anticipated costs of follow-up advisory and other services to Regional Bureaus and USAID Missions in FY 69. The project would be monitored by AID/W/PIC.

2. On the basis of the current state of the art and information and studies currently available, the contractor would formulate suitable models and procedures for analyzing the effects of changes in demographic variables, such as birth rates and age distribution, on various aspects of development including: (a) rural-to-urban migration and the repercussions thereof, (b) the magnitudes of requirements for housing, health, education, welfare and other public services, (c) employment opportunities and manpower sources, and (d) savings, investment, and productive capacity. (These general categories possibly would be altered or added to by mutual agreement as the work progresses.) The models and procedures would be part of the basis for the "end products" described in the paragraph below. They would be designed for applicability to different countries with various population densities and economic conditions, ranging from the sparsely settled countries with more advanced economies in Latin America to the densely populated poor countries of Asia.

3. Preliminary results of work performed under the contract would be presented for review and general critique by a group of outside experts at a meeting to be scheduled for no later than September 1, 1968.

4. As soon as possible, but hopefully no later than October 15, 1968, the contractor would prepare, organize, assemble and submit to AID/W ten complete working sets of analytical and presentation materials to demonstrate the determinants (to the extent known and recognized) and consequences of different rates of population growth, including the nature and approximate magnitude of the population problem in general and world-wide terms. The materials would include flip charts and other visual aids and materials. They would be designed so as to be suitable for presentation to a variety of different audiences, including and in particular the full range of key decision makers in and outside of government who determine or influence public and private policies in such fields as health, education, business, agriculture and finance. Specifically, for example, the demonstration material would include, but not be limited to, a consideration of the degree to which high rates of population growth may affect the following: (a) the incidence of abortion, demand for doctors, hospitals, teachers, schools, housing, police and other public safety forces, transportation, and other tax-supported government services and capital facilities; (b) rural-to-urban migration and urban employment, housing and other living conditions in congested urban centers; (c) the proportion of dependent population, unable to work, to pay taxes to help finance low public service facilities, and to support themselves; (d) the distribution of income; (e) the tax burden on that proportion of the population able to pay; (f) conditions and opportunities for employment; and (g) savings, investment and capital formation. These materials would be based on information that is readily available from the current literature, supplemented, where it seems desirable, by calculations using the models formulated according to paragraph "2" above.

5. As soon as possible, but hopefully no later than October 15, 1968, the contractor would also prepare, organize, assemble and submit to AID/W ten complete working sets of suitable reproducible do-it-yourself kits

with clear, readily understandable instructions for easy use by USAID Missions and/or host country organizations in demonstrating the possible consequences of excessive rates of population growth and benefits of family planning, by simply inserting their own country data and realistic assumptions; each kit to be self-sufficient and complementary to the others for use separately, in combination and/or together as needed and appropriate for different audiences; the exact number and substantive content of each kit to be decided upon by agreement between the contractor and AID/W in due course as work progresses in the fashion outlined above.

6. Together with one-hundred complete and finalized sets of the materials called for in paragraphs "4" and "5" above, and partially based on consultations with AID/W relating to and after receipt of these materials, the contractor would prepare and submit to AID/W as soon as possible but hopefully no later than November 30, 1968, guidelines with clearly explained procedures which, with appropriate data and assumptions, can be used by USAID Missions and/or host country organizations to project changes in the population and its age structure and to take such changes into account in planning programs of social and economic development and public services as described in the statement of objectives set forth in Section C above. The procedures would be designed to facilitate the planning of alternative programs for different hypotheses about future birth and death rates. They would also provide for estimating to the extent possible the comparative costs of the alternative programs.

7. In all of the above the contractor would consult with AID/W at appropriate intervals as work progresses to define with more specific precision and agree on the design and substantive content of the analytical models and other materials to be finally produced; and for the same purposes consult with appropriate officials in one USAID Mission to be selected by AID/W.

8. As soon as possible, but no later than January 30, 1969, it is hoped that all of the materials to be produced under the contract, together with supplementary general and specific country guidelines prepared as necessary and appropriate by AID/W, would be sent to all of the USAID Missions.

NONCAPITAL PROJECT FUNDING (OBLIGATIONS IN \$000)

PROP DATE: 4/24/68
 Original X
 Rev. No.
 Project No. 901-11-570-016

Table 1
 Page 1 of 2

Population/Economic Growth,

COUNTRY: Inter-regional - FPC Project Title: Analyses and Presentation

Fiscal Years	Ap	L/G	Total	Cont ^{1/}	Personnel Serv.			Participants		Commodities		Other Costs	
					AID	PASA	CONT	U.S. Agencies	CONT	Dir. U.S. Ag	CONT	Dir & U.S. Ag	CONT
Prior through Acc. FY -			-										
Oper. FY -			-										
Budg. FY 68	SA	G	150				150 ^{2/}						
B + 1 FY 69	SA	G	50				50 ^{3/}						
B + 2 FY													
B + 3 FY													
All Subs.													
Total Life	SA	G	200				200						

^{1/} Memorandum (nonadd) column

Note that format of this page is same as E-1a.

If a second page of table is used, space year-line entries on second page at same location as on first page.

^{2/} Proposed for Central Funding.

^{3/} Possibly to be financed from Regional or Country Funds.