Presenter:

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Topic Title:

(joint with Michael Grimm and Luca Tasciotti)

Abstract:

We analyse various pathways through which access to electricity affects fertility in Indonesia, using a district pseudo-panel covering the period 1993-2010. Identification of causal effects relies on a district-fixed effects approach and controlling for local economic development. The electrification rate increased by about 65 percent over the study period and our results suggest that the subsequent effects on fertility account for about 18 to 24 percent of the overall decline in the fertility rate, depending on the specification. A key channel through which electrification affects fertility relates to increased exposure to TV. Using in addition several waves of Demographic and Health Surveys we find suggestive evidence that increased exposure to TV affects in particular fertility preferences and increases the effective use of contraception. Moreover, reduced child mortality seems to be another important pathway linking access to electricity and fertility. We find no evidence that changes to direct and indirect costs of children play a role. Overall, the results suggest that the expansion of the electricity grid contributes substantially to the fertility decline. In a context in which family planning policy still plays an important role and in which the societal objective is to further reduce the birth rate, these benefits need to be taken into account when costs of electrification are compared to its benefits.