

Mortality Expectations and Fertility Decisions

David Bloom, David Canning, Isabel Guenther, Sebastian Linnemayr *

This version: August 2008

Preliminary; please do not cite

Abstract

Recent papers suggest that health improvements have little potential to act as a catalyst for economic growth. The hypothesis underlying these papers is that a reduction in mortality does not lead to a corresponding decrease in fertility, bringing about an increase in population and declining income per capita. We directly investigate the link between mortality and fertility using data from 165 DHS surveys and find that the empirical underpinnings do not support this bleak outlook: reductions in mortality are typically followed by a one-for-one reduction in fertility, at least in countries far along in the demographic transition. Most existing empirical studies conduct their analysis at the individual level and hence can only capture the direct, i.e. ex-post, replacement of child deaths. We argue that in order to analyze the total impact of mortality on fertility, the analysis has to be conducted at higher –regional or country - levels to take into account insurance effects based on mortality expectations. In order to account for the potential endogeneity of fertility and mortality, we present an instrument based on the global vaccination rate.

* Harvard School of Public Health, 104 Mt. Auburn St., Cambridge, MA 02138.

1. Introduction

There has been a resurgence of papers investigating the impact of increases in life expectancy as a measure of health improvements on economic growth. While some papers such as Bloom and Canning (2004) argue for a positive influence of improvements in life expectancy or reductions in child mortality on GDP per capita, other papers have come to a more pessimistic conclusion. Acemoglu and Johnson (2006) state that “...there is no evidence that the large exogenous increase in life expectancy led to a significant increase in per capita income”. Similarly, Young (2005) finds that the AIDS epidemic as a health shock has a *positive* impact on income per capita for future generations of South Africans; his study suggests that the epidemic will slow population growth less than income growth.

The explanation given by both of the latter papers for this negative impact of health improvements is that increases in life expectancy lead to a net increase in population. Neither of the two papers, however, directly tests whether in the long run increases in life expectancy lead to a decrease in birth rates. More evidence and more rigorous research are therefore needed to learn about this key relationship. Two other strands of the literature have analyzed the impact of changes in mortality on fertility: theoretical work from the economics literature and empirical studies from the demography literature. The theory literature gives conflicting predictions: early papers such as Becker and Barro (1988) or more recent papers such as Hazan and Zoabi (2006) arrive at the conclusion that increases in longevity may lead to an increase in the number of children, for example

through an increase in the returns not only to the quality but also the quantity of children. In contrast, Kalemli-Ozcan (2003) finds that in the presence of uncertainty, a decline in child mortality should reduce the precautionary demand for children.

Turning to the empirical evidence from the demography literature, there is consensus that the loss of a child leads to a subsequent replacement of that child, but there is substantial disagreement about whether full replacement of deaths or only partial replacement of deaths takes place (for a survey article, see Schultz 1997). In other words, whereas there is consensus that higher mortality leads to an increase of gross fertility, the evidence is not clear whether child mortality in- or decreases net fertility. This literature is however constrained by two factors: first, different studies estimate the magnitude of replacement at different aggregation levels (although most studies are restricted to the individual level), which makes a comparison of these studies difficult. Second, most of these studies do not take into account the problem of endogeneity when estimating the impact of mortality on fertility.

In this paper, we argue that the correct level for measuring the impact of mortality on fertility is at the regional or country level, where the insurance effect for child replacement can be taken into account. Parents not only seem to react to the death of a child (the direct replacement effect) but fertility decisions also seem to be driven by expected future child mortality (the indirect or insurance replacement effect). We suggest an instrumental variables strategy based on global vaccination campaigns to address the

potential reverse causality running from fertility to child mortality that the existing empirical literature addresses only unsatisfactorily.

Using DHS data for a sample of 65 low-income countries, we find that the replacement effect at the regional level is considerably larger than the direct replacement effect as measured at the individual level typically investigated in the demography literature. This finding holds both for the OLS estimates and when using an IV strategy. We interpret this finding as evidence for parents taking mortality expectations into consideration when deciding on the desired number of births. We also find that this relationship when estimated at the regional level is equal to or larger than one-for-one for a subset of countries: a reduction in child mortality by one results in a reduction in fertility by more than one child, i.e. leading to a decrease not only in gross but also in net fertility. This finding holds important implications at the macroeconomic level. Health interventions have the potential for a large pay-off in terms of reduced population growth.

This paper is structured as follows: the next section discusses the existing theory and evidence regarding the impact of mortality expectations on fertility decisions, followed by a discussion of the empirical strategy in sections 3 and 4. In section 5, the data are presented. The results are discussed in section 6, followed by the conclusion in section 7.

2. Mortality expectations: theory and literature review

Total replacement of child mortality consists of the direct, ex-post replacement effect following the death of a child, and the precautionary, *a priori* replacement effect due to uncertainty about future child mortality (Schultz 1997). The literature to date has focused on the first of these two effects, while the second effect has been largely neglected, apart from a few studies such as Ben-Porath (1976) or LeGrand et al. (2003).

In order to test the impact of mortality expectations on fertility decisions, it is important to investigate how expectations about current or future child mortality are formed.

Montgomery (1998) suggests that rather than going through complex calculations, people often prefer to use simple rules of thumb in order to update their beliefs about child mortality, for example by turning to their reference group for information. Information exchange between the group and an individual and interpretation of this information constitute two of the three main forms of social interactions in the classification of Bongaarts and Watkins (1996). Such abbreviated information gathering seems particularly relevant for country settings characterized by low literacy rates and incomplete information (for the sample at hand, about 75% of women have less than six years of education).

Grether (1980) finds that people overly rely on small sample observations compared to objective information. For the study at hand we argue that groups in relatively close physical proximity such as a region may influence the infant mortality expectations of

mothers. Geographical proximity has been cited by several studies as the basis for spillover effects, as mothers can turn to their reference group in order to observe the prevalent child mortality rate (Coale and Watkins, 1986; Bongaarts and Watkins, 1996; Durlauf and Walker, 2001; Kohler, 2001).¹

We can formalize this idea by positing that the fertility decision of a mother is influenced by her expectation of group level mortality, as well as by group-level fertility:

$$y_{gi} = x_{gi}\delta + E_{gi}[x_{gi} | I_{gi}]\gamma + \alpha_g + \varepsilon_{gi}, \quad (1)$$

where y_{gi} denotes the fertility decision of an individual i in group g . x is the observed child mortality and $E_{gi}[x_{gi} | I_{gi}]$ the expected child mortality conditional on the individual's characteristics and her information-set.

Equation (1) cannot be estimated as we have no information on individual child mortality expectations and because each individual influences each individual's fertility decision simultaneously. Taking the group means of equation (1) and then solving for $E_g[y_{gi}]$ we get

¹ In a similar vein, they can also follow the fertility decision of a reference individual or group, thereby obeying to social norms. In the classification of Manski (1993), such a form of social interaction is called an endogenous interaction, where the outcome of interest of the individual is influenced by the group-level outcome.

$$E_g[y_{gi}] = E_g(E_{gi}[x_{gi} | I_{gi}])(\gamma + \delta) + \alpha_g, \quad (2)$$

where we can apply the law of iterated expectations to overcome the problem of individual mortality expectations to obtain:

$$E_g[y_{gi}] = E_g[x_{gi}](\gamma + \delta) + \alpha_g, \quad (3)$$

This equation shows that in comparison with the marginal impact of child mortality on fertility on the individual level δ , the coefficient on child mortality on the aggregate level is increased by γ .

To get at the direct replacement effect, we estimate the *within-group* variation:

$$y_{gi} = \tilde{x}_{gi}\delta + \varepsilon_{gi}, \quad (4)$$

where y_{gi} denotes the number of children ever born to a women i in group g . x_{gi} is the number of children born who died and r_{gi} a vector of control variables. This specification provides consistent and efficient estimates of δ . Next, the coefficient on $E_g[x_{gi}]$ can be estimated using *between-group* variations (3). Since we want to control for correlated group effects we either have to assume the existence of an instrument or – and we follow this approach – assume that group specific unobservables are time-invariant and use data on the same N groups over T periods ($t=1, \dots, T$). If the group specific effect α_g in

equation (3) can be split up into a time trend and a constant group-specific effect

$\alpha_{gt} = \mu_t + \xi_g$ we can then estimate:

$$E_{tg} [y_{tgi}] = E_{tg} [x_{tgi}] (\gamma + \delta) + \mu_t + \xi_g, \quad (5)$$

where $E_{tg} [y_{tgi}]$ denotes the mean number of children born in group g at time t . $E_{tg} [x_{tgi}]$ is the expected child mortality within the reference group. A difficulty that the theory model above makes clear is that at the individual level, the mother's expectation about the currently prevailing group-level child mortality rate entering the equation is difficult to capture. Only once we aggregate the equation to the group-level can we confidently estimate the replacement effect. At the individual level, we can try to control for group-level effects by using group fixed effects, and to use a proxy for the individual-level expectation as described below. However, our preferred specification is the one at the regional/country level that we can estimate with confidence.

3. Estimating the replacement effect at the individual level

There are two main challenges for estimating replacement effects: first, simply regressing the number of born children on the number of dead children results in a spurious correlation between the two variables as there is a direct link between the number of born children and the number of deceased children. To address this problem, a large part of the literature employs a correction method propagated by Olsen (1980) and Olsen and Trussell (1983)². This method cannot credibly correct for the potential endogeneity between fertility and mortality. For example, we typically observe an increasing fraction of children dying with the number of children. One explanation for this positive correlation is crowding: a higher number of children can signify less resources or time commitment per child, leading to increased mortality risk for children in larger families.

In order to circumvent this problem of reverse causality, we need to find a variable that has predictive power for child mortality but is not correlated with a woman's fertility decision, i.e. we need to find a valid instrument. As described in detail below, we suggest an instrument that is based on the intuition that global vaccination campaigns were reasonably exogenous to the characteristics of the countries in which they were implemented. The variation stems from the fact that child mortality prior to these interventions differed widely by country; therefore countries with higher child mortality benefitted more from these interventions than countries with relatively low child mortality rates. In contrast to an otherwise very similar instrument in Acemoglu and

² For examples of papers applying this technique see for example Maglad (1994), Bath (1998), Haines (1998), or Palloni and Rafalimanana (1999).

Johnson (2006) that can essentially only be used as a binary variable (i.e. before/after), the instrument proposed here provides time-series variation due to yearly changing averages of global vaccination rates

While this instrument is correlated with reductions in child mortality at the aggregate level (regional or country), it cannot be used for the estimation of the direct replacement effect at the individual level as the instrument is correlated with group-level child mortality. This correlation would then introduce the group-level expectations into the individual level regression, therefore we cannot identify the direct replacement effect using this instrument.

We employ a different variable as an instrument for child mortality at the individual level: we suggest to instrument child mortality at the individual level with the mortality rate of the mother's siblings. This variable represents private information of the mother that in most other datasets except the DHS is not available. The information could guide the mother's fertility decision if her siblings' death rate is correlated with family-specific gene quality, for example.

We construct this instrument by dividing the number of deceased siblings of the mother by the total number of her siblings. This information is available in a subset of DHS surveys that collect information on the sibling history of the mother (see the appendix table A.1 for details on the surveys providing this information). This instrument has, however, three drawbacks: First, this instrument is only available for a subset of the DHS

surveys. By excluding countries in which this information was not collected, we potentially introduce selection bias in the analysis. Sibling information is available for only 52.50% of the observations in the sample. By relying on this type of instrument, we therefore lose about half of our sample. When we look at Table A.2 in the Appendix, we see that on average, countries for which the surveys include the sibling information are more developed than those without this information. They also have fewer children and lower child mortality rates. Given these differences in socioeconomic characteristics, the exclusion of all surveys without this information might lead to a selected sample.

Second, the variable might have a direct impact on fertility through family size preference. We can, however, purge the variable from this direct influence on fertility by including the number of siblings of the mother in the regression. The results for this robustness check are presented in Appendix B. Lastly, it is likely that mothers use past child mortality rates for the formation of their expectations about current child mortality rates, leading to a potential overestimation of the direct replacement effect that we would like to estimate at the individual level.³

³ Even if this is the case, when we compare individual level estimates with those at the regional level using this instrument, we can get an idea of the lower bound for the social multiplier (as the individual estimate is likely upward biased if it also captures group expectations rather than private information alone), the ratio of the regional versus individual level coefficient estimate that gives an indication of the magnitude of the group-level spillover effect.

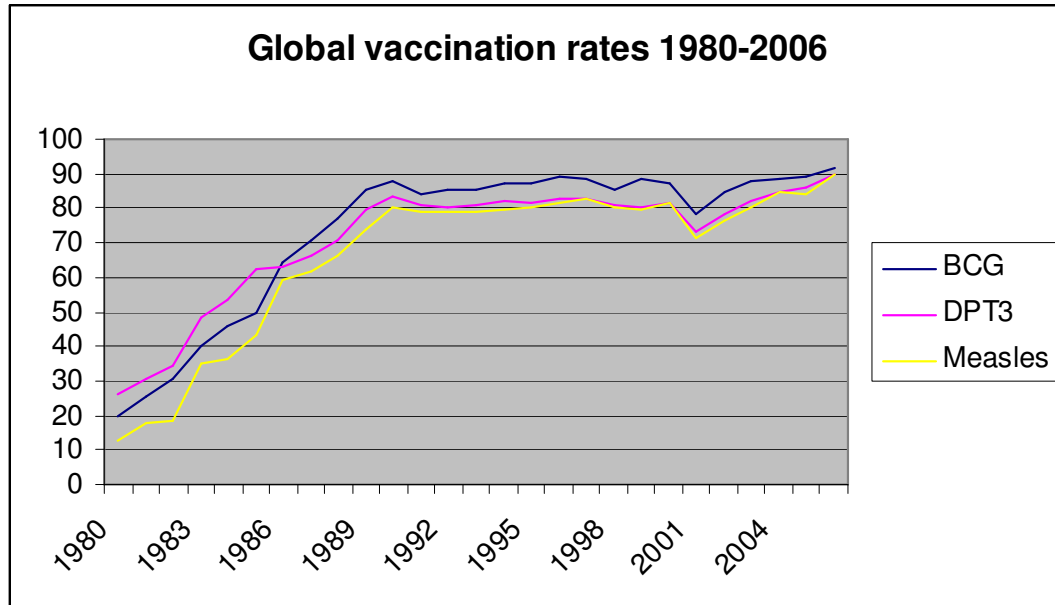
4. Estimating the replacement effect at the aggregate level

As discussed above, we suggest an instrument based on global vaccination campaigns for use at the group level. The intuition behind this instrument is that these campaigns were exogenously put in force by the international community and were aimed at reaching certain coverage levels in all countries. We deliberately abstain from using country-specific vaccination coverage rates that could be correlated with country characteristics if they are demand-driven or if a government is particularly effective at securing such interventions for its population, but use the global average of the vaccination rates for a given year instead. We interact these vaccination rates with initial child mortality assuming that countries with the highest initial child mortality would benefit most from the increase in vaccinations available. There is a large variation for this instrument as before the onset of the interventions, child mortality levels were vastly different in the countries under consideration (for example, in Uzbekistan 71 out of 1000 children died before their fifth birthday, compared to 354 in Nicaragua or even 500 in Mali). These campaigns should not have a direct influence on the fertility decisions of mothers if they were not combined with interventions directed at family planning.

We construct the instrument as follows: first, we collected data on child mortality from the Demographic Yearbooks from 1960, a time before major global vaccination campaigns. We then collected the global vaccination rates for three vaccines: measles, DPT3, and BCG. We selected these three diseases as they are responsible for a large fraction of child deaths in developing countries and because they were the subject of

international vaccination campaigns for which relatively good data is available. Starting in the late 1970s, the international community advocated and implemented large vaccination drives for developing countries, dramatically increasing their vaccination rates. Figure 1, shows the increase in vaccination rates between 1980 and 2005⁴. The vaccination patterns are relatively similar for the three vaccinations we use in our analysis. We therefore restrict our analysis to measles as one of the diseases claiming most children's lives of the three (UNICEF 2002).

Figure 1: Global vaccination coverage rates for all three vaccines used, 1980-2006



Source: WHO: http://www.who.int/immunization_monitoring/data/data_subject/en/index.html#a

Given potential non-linearities in the effect of the vaccination coverage (for example, due to the potential existence of thresholds), we also include the square of the coverage rate in the first stage regression. We make the assumption that the mothers benefit from the coverage rate when they are thirty years of age. One can interpret this as an average rate

⁴ We extrapolated the vaccination rates back to 1974 using a simple linear function; simply setting the vaccination rate to 0 pre-1980 results in very similar estimates that are available from the authors.

of the coverage that the mother experienced over her fertile period (30 being a midpoint between a hypothetical start of fertility at age 15 and end at age 45).

Our approach is similar to Acemoglu and Johnson (2006) but differs in two major respects. First, these authors derive their source of exogeneity from the timing of the *invention* of the vaccine, while the exogeneity of the instrument we use stems from the actual *implementation* of the vaccine. In addition, the information we rely on gives us a time series proper, unlike the pre-/post- invention measure of A&J. Exploiting the temporal variation of vaccination coverage allows us to have a true exogenous measure of reduction in mortality.

Given the differing age structure between the regions, the regression is also identified at the regional level to avoid small sample sizes when performing the analysis at the country level. The main results presented in Table 2 therefore relate to the regional level, while we present the country level results in Table 3 for completeness. At the individual level, it is not possible to use the variable as an instrument for child mortality as individual child mortality is only weakly correlated with the global vaccination rate, and most importantly because the instrument captures an aggregate phenomenon that we would want to exclude when investigating the direct replacement effect.

5. Data setting⁵

The data underlying this analysis comes from the Demographic and Health Surveys (DHS). These surveys are nationally representative and cover a wide range of data, including the birth history of women 15-49 years of age. The dependent variable is number of children born to a woman. Besides child mortality of a women, we include the control variables woman's and husband's education, urban residence, an asset index approximating income, and dummies indicating the religion of the woman (Muslim, Catholic, Protestant or Others), as well as the year of the survey. We do not include behavioral variables, such as time of first marriage, as these variables are endogenous to desired fertility.

We construct an asset index to approximate household's wellbeing as the DHS surveys do not contain any information about the income or consumption of households. The asset index is estimated via principal component analysis. The assets underlying the index are electricity, possession of a radio, TV, and source of drinking water (piped water, well or open source of water). This limited number of assets was chosen to keep the sample size as large as possible.

The maximum number of countries publicly available from the DHS site is 65⁶. Each country has between 1 and 6 surveys between 1988 and 2005, leaving us with a total of 206 surveys at the country level. As not all variables were collected in each survey round

⁵ For a more detailed description of the data, the reader is referred to Bloom et al. (2008a).

⁶ For the country level estimations, we treat Indian states as countries due to their size. This procedure gives us 28 extra observations.

in each country we lose some surveys. The final number of surveys analyzed is 184, and 1,123 regions can be traced over time within those countries.

We further limit our sample to women who have completed their fertility, i.e. to women between the age of 45 and 49⁷ and to women who have given birth to at least one child. Women without children are excluded from the analysis as they do not provide any information about the relationship between fertility and mortality. This leaves us with a data set of 118,627 women.

6. Empirical Results

In Table 1, we estimate the impact of child mortality on fertility at the individual level, first using the Olsen-Trussell technique that is standard in the literature, and then using our proposed IV strategy in columns 3 to 6, using fraction of siblings of the mother who died as an instrument for the number of dead children. The Olsen Trussell technique in essence uses the fraction of children died of the total number of children in place of the number of children who have died. This way, the mechanical relationship between the total number of children and the number of dead children is done away with to a certain extent.

⁷ The estimates do not change significantly when we vary the cut-off age for completed fertility history.

We find that at the individual level, about 0.28 children get replaced when using the Olsen-Trussell technique, the standard in the replacement literature. The coefficient more than doubles in magnitude to .75 when using the fraction of deceased siblings of the mother as an instrument (column 2), but goes down to about .43 when controlling for the family size preference in column 2 of Table B1. As discussed above, we cannot be sure whether the higher coefficient reflects an estimate that is truly different from the one used for the Olsen-Trussell technique, or whether mortality expectations based on the experienced mortality of the former generation inflate the direct replacement estimate.

Table 2 presents the results at the regional level, first using the fraction of deceased siblings and then global vaccination rates as an instrument. We exclude the religion variable at this level as this information is missing for more than 25% of the sample⁸. In addition, this variable hardly varies over time at the regional level for the relatively short time period under consideration. As the three vaccinations presented graphically above in figure 1 covary greatly, we focus first on measles for the results in columns 2 and 3. In column 4, we also include the other two vaccination rates as instruments and arrive at largely the same results as in column 3, while the value of the Cragg-Donald test goes down significantly. For the last two specifications, we include a square and a cube term for the vaccination rate in order to account for potential non-linearities of the vaccination rate on child mortality as discussed above.

⁸ While we view religion at the individual level as a legitimate and important determinants of fertility that are jointly significant at the individual but not the regional or country level, we also ran the regression without religion variables at the individual level for comparison. This specification increases the coefficient on child mortality by about 0.1 child.

There are a total of 165 surveys from 64 countries, leaving us with 927 regions. We find that the coefficient for the replacement effect is not statistically significant different from one. We therefore cannot reject the hypothesis of full replacement at the regional level. When looking at the first stage, we find the vaccination rates interacted with initial child mortality to have a negative impact on child mortality as expected.

In Table 3, we stratify the countries by their stage in the demographic transition, where we take countries with less than 5.3 children on average per mother in 1990 to be further into the transition, and countries with a higher average fertility rate as being early transition countries. For countries with lower average fertility, the coefficient on child deaths is about 1.9, a significant increase to Table 2 where we average over all countries. For this subset of countries, we can reject the hypothesis that the coefficient equals one, we therefore find evidence for more than full replacement.

As surveys including the sibling information differ substantially from surveys for which the information is not available, we also present in Appendix B the results when including the number of siblings of the mother thereby dropping close to half of our sample. The results remain similar in character, but the coefficient estimate is somewhat less precisely estimated. The slight change in coefficient values stems mainly from sample selection rather than the inclusion of the sibling variable: when restricting the sample to surveys with sibling history but excluding the sibling variable, the results for the coefficient of interest for this specification are virtually identical to the ones when including the sibling variable. Our preferred specification, however, is without the sibling

variable as it gives us a broader spectrum of countries for estimation. We present the alternative results in order to have the same set of countries for comparison with the estimates at the individual level.

For completeness, we also present the country-level regressions in Tables 4 and 5. There are only 64 countries in the sample with more than one survey over time, leaving us with a sample of only 165 country-time observations. When we include the sibling variable for this level of aggregation, the sample size is reduced to 56 country-year observations from 25 countries. The variation of the vaccination instrument at the country level is much smaller as indicated by low Cragg-Donald statistics in the first-stage regressions. Most likely due to small sample size in combination with relatively low variation at the country level, the coefficient estimate for the replacement effect is statistically insignificant when using the whole sample, but turns significant and similar in magnitude to the regional level estimates when stratifying by the stage of the demographic transition.

We suggest in this section that using an instrument we can improve on the estimates in the demographic literature based on the Olsen-Trussell technique. We employ an instrument at the individual level formed on the fraction of siblings of the mother who died as a fraction of total siblings to estimate the direct replacement effect. We argue, however, that this instrument potentially overestimates the direct replacement at the individual level. In the result tables we find that based on the estimation strategy discussed above mothers replace about 0.75 of their deceased children, dropping to .43 when including family size of the household the mother grew up in to control for fertility

preferences. At the regional level, where we instrument mortality with global vaccination rates interacted with initial child mortality rates, we take into account potential mortality expectations. We find a coefficient estimate whose confidence interval includes unity. When stratifying by the stage of the demographic transition, we find mothers in countries with relatively low fertility levels to react much stronger to child deaths (experienced or expected using the regional/country level) than mothers in countries further behind in their demographic transition. Our results furthermore suggest that estimation of the total replacement effect at the right level of aggregation and when accounting for the potential endogeneity of fertility and mortality, we cannot rule out the possibility that at the regional or country level reductions in child mortality lead to reduced fertility.

7. Conclusion

In this paper, we investigate the causal pathway running from child mortality (as a measure of health) to fertility. This channel is important as recent studies claim that improvements in health do not lead to subsequent economic growth. The health-fertility pathway in these studies is, however, not thoroughly analyzed. In the economics literature, there are few direct investigations of this relationship. In the demography literature, studies typically focus on the direct replacement effect only by estimating the relationship only at the individual level, thereby neglecting the indirect, insurance replacement effect. In addition, in this literature the potential endogeneity of fertility and child mortality is only unsatisfactorily dealt with.

In order to investigate this relationship, we use data from 165 surveys from 65 low-income countries, and investigate the extent of the replacement effect at different levels of aggregation. Throughout the paper, we stress that in order to capture the total replacement effect, the analysis needs to be conducted at a level of aggregation that can capture mortality expectations. We improve upon the methods used in the extensive demography literature by relying on the use of instruments for child mortality, i.e. variables that have a direct impact on mortality but not on fertility, instead of the currently used Olsen-Trussell technique that only partially addresses endogeneity issues.

We find that the estimated impact of mortality on fertility based on the instrumental variables strategy is general higher than OLS estimates but it is comforting to note that they do not deviate substantially either. At the regional level, we find much higher

coefficients than on the individual level and cannot reject the unitary coefficient on the child mortality variable, i.e. the hypothesis of full replacement. This result is particularly true for countries far into the fertility transition, for which we find evidence of more than one-for-one replacement of deceased children. Our findings therefore indicate that when evaluating the relationship at the right level of aggregation and when taking into account the potential endogeneity of fertility and child mortality, we cannot rule out the possibility that reductions in child mortality lead to reduced fertility, shedding doubt on the conclusions drawn from some recent studies.

References

- Acemoglu D. and S. Johnson (2006). Disease and Development: The Effect of Life Expectancy on Economic Growth. NBER Working Paper 12269, June 2006.
- Becker, Gary, and Robert Barro (1988): "A Reformulation of the Economic Theory of Fertility," *The Quarterly Journal of Economics* 103(1), pp. 1-25.
- Ben-Porath Y. (1976). Fertility Response to Child Mortality: Micro Data from Israel. *Journal of Political Economy*, 84(4): 163-178.
- Bloom, D. and D. Canning (2004): "The Health and Wealth of Africa," *World Economics* 5, pp. 57-81.
- Bongaarts J. and S.C. Watkins (1996). Social Interactions and Contemporary Fertility Transitions. *Population and Development Review*, 22(4): 639-682.
- Coale A.J. and S.C. Watkins (1986). *The Decline of Fertility in Europe*. Princeton: Princeton University Press.
- Durlauf S. and J. Walker (2001). Social Interactions and Fertility Transitions, in: J. B Casterline (ed.), *Diffusion Processes and Fertility Transition: Selected Perspectives*. National Academies Press.
- Haines M. (1998). The relationship between infant and child mortality and fertility. Some historical and contemporary evidence for the United States. in: M.R. Montgomery and B. Cohen (eds.), *From Death to Birth: Mortality Decline and Reproductive Change*. Washington, D.C.: National Academy Press.
- Hazan, M. and H. Zoabi (2006): "Does Longevity Cause Growth? A Theoretical Critique," Hebrew University of Jerusalem, Mimeo.
- Kalemli-Ozcan S. (2003). A stochastic model of mortality, fertility, and human capital investment, *Journal of Development Economics*, 70(1): 103-118.
- Kennedy, K. and C. Visness (1992): "Contraceptive efficacy of lactational amenorrhoea," *The Lancet* 339, pp. 227-30.
- Kohler H.P. (2001). *Fertility and social interaction: an economic perspective*. Oxford: Oxford University Press.
- LeGrand T., Koppenhaver T., Mondain N. and S. Randall (2003). Reassessing the Insurance effect. A qualitative Analysis of Fertility Behavior in Senegal and Zimbabwe. *Population and Development Review*, 29(3): 375-403.

- Maglad, N.E. (1994). Fertility in Rural Sudan: The Effect of Landholding and Child Mortality. *Economic Development and Cultural Change* 42(4): 761-772.
- Manski C.F. (1993). Identification of Endogenous Social Effects: The Reflection Problem. *Review of Economic Studies*, 60: 531-542.
- Montgomery M.R. (1998). Learning and lags in mortality perceptions, in: M.R. Montgomery and B. Cohen (eds.), *From Death to Birth: Mortality Decline and Reproductive Change*. Washington, D.C.: National Academy Press.
- Olsen, R. 1980. Estimating the Effects of Child Mortality on the Number of Births. *Demography*, 17: 429-44.
- Trusell J. and R. Olsen (1983). Evaluation of the Olsen Technique for Estimating the Fertility Response to Child Mortality. *Demography*, 20(3): 391-405.
- Palloni A. and H. Rafalimanana (1999). The Effect of Infant Mortality on Fertility Revisited: New Evidence from Latin America, *Demography* 36(1): pp. 41-58.
- Schultz T.P. (1997). Demand for Children in Low Income countries. In: Rosenzweig M.R. und O. Stark: *Handbook of Population and Family Economics*. Elsevier Science.
- UNICEF (2002). Immunization strategy for measles to lower child death rates. Press release 5 December 2002. downloaded on July 22, 2008 at http://www.unicef.org/media/media_19243.html.
- Young (2005): "The Gift of the Dying: The Tragedy of AIDS and the Welfare of Future African Generations," *Quarterly Journal of Economics* 120: pp. 243-266.

Table 1: Individual-level regressions

	Olsen- Trussell (1)	Sibling_dead (2)	Far in transition (3)	Early in transition (4)	SSA=0 (5)	SSA=1 (6)
	total children ever born	total children ever born	total children ever born	total children ever born	total children ever born	total children ever born
# of dead children	0.284*** (0.008)	0.746*** (0.129)	0.942** (0.371)	0.698*** (0.139)	1.496*** (0.371)	0.582*** (0.139)
Education in single years	-0.128*** (0.003)	-0.108*** (0.008)	-0.125*** (0.019)	-0.085*** (0.009)	0.101*** (0.019)	0.086*** (0.010)
Urban	-0.311*** (0.025)	-0.343*** (0.039)	-0.207*** (0.058)	-0.435*** (0.051)	0.242*** (0.053)	0.458*** (0.056)
Wealth index	-0.242*** (0.015)	-0.100*** (0.035)	-0.184** (0.076)	-0.041 (0.044)	-0.072 (0.080)	-0.027 (0.045)
Religion: Muslim	0.707*** (0.034)	0.146** (0.057)	-0.058 (0.095)	0.250*** (0.071)	-0.071 (0.097)	0.232*** (0.073)
Religion: Catholic	0.759*** (0.037)	0.532*** (0.052)	0.745*** (0.094)	0.352*** (0.067)	0.668*** (0.098)	0.317*** (0.068)
Religion: Christian	0.535*** (0.035)	0.421*** (0.054)	0.504*** (0.090)	0.326*** (0.066)	0.497*** (0.097)	0.306*** (0.066)
Current age - respondent	0.078*** (0.006)	0.050*** (0.012)	0.059*** (0.019)	0.050*** (0.014)	0.020 (0.021)	0.064*** (0.015)
Observations	71893	36326	10239	26087	12397	23929
Number of year*regions	668	444	102	342	110	334

Note: Standard errors in parentheses; * significant at 10%; ** significant at 5%; *** significant at 1%

Table 2: Regional regressions using the Olsen-Trussell technique and the vaccination instruments

	(1)	(2)	(3)	(4)
	Olsen-Trussell	Measles + ²	Measles + ² + ³	All instruments + ² + ³
# of dead children	0.575*** (0.083)	0.552** (0.279)	0.739*** (0.258)	0.873*** (0.248)
Urban	-0.655*** (0.218)	-0.661*** (0.231)	-0.609*** (0.225)	-0.571** (0.223)
Education	-0.127*** (0.024)	-0.128*** (0.028)	-0.118*** (0.027)	-0.111*** (0.026)
Wealth index	-0.218* (0.115)	-0.224 (0.137)	-0.172 (0.132)	-0.134 (0.130)
Year_1995	-0.238*** (0.050)	-0.242*** (0.062)	-0.216*** (0.060)	-0.197*** (0.059)
Year_2000	-0.373*** (0.059)	-0.378*** (0.082)	-0.338*** (0.078)	-0.309*** (0.076)
Observations	927	927	927	927
Number of regions	351	351	351	351

Note: Standard errors in parentheses; * significant at 10%; ** significant at 5%; *** significant at 1%

Table 3: Results stratified by stage in the demographic transition

	Far in transition (1)	Early in transition (2)	SSA=0 (3)	SSA=1 (4)
# of dead children	1.890*** (0.352)	0.224 (0.348)	1.720*** (0.280)	-0.051 (0.424)
Urban	-0.916*** (0.280)	-0.426 (0.340)	-0.813*** (0.269)	-0.555 (0.379)
Education	-0.105*** (0.032)	-0.138*** (0.042)	-0.125*** (0.029)	0.157*** (0.049)
Wealth index	0.248 (0.166)	-0.459** (0.194)	0.214 (0.158)	-0.391* (0.212)
Year_1995	-0.144* (0.075)	-0.171* (0.091)	-0.190*** (0.072)	-0.213** (0.097)
Year_2000	-0.232** (0.111)	-0.173 (0.107)	-0.270*** (0.099)	-0.265** (0.116)
Observations	473	454	478	449
Number of regions	184	167	189	162

Table 4: Country-level regressions using the Olsen-Trussell technique and the vaccination instruments

	Olsen-Trussell (1)	Measles + ² (2)	Measles + ² + ³ (3)	All instruments + ² + ³ (4)
# of dead children	1.068*** (0.216)	-0.194 (0.738)	0.229 (0.591)	0.466 (0.526)
Urban	-0.958** (0.483)	-1.131* (0.617)	-1.073* (0.557)	-1.041** (0.529)
Education	-0.229*** (0.058)	-0.333*** (0.092)	-0.298*** (0.079)	-0.279*** (0.074)
Wealth index	0.296 (0.265)	-0.122 (0.404)	0.018 (0.350)	0.097 (0.327)
Year_1995	-0.070 (0.089)	-0.183 (0.128)	-0.145 (0.113)	-0.124 (0.106)
Year_2000	-0.129 (0.107)	-0.313* (0.168)	-0.251* (0.145)	-0.217 (0.135)
Observations	165	165	165	165
Number of countries	64	64	64	64

Note: Standard errors in parentheses; * significant at 10%; ** significant at 5%; *** significant at 1%

Table 5: Results stratified by stage in the demographic transition

	Far in transition (1)	Early in transition (2)	SSA=0 (3)	SSA==1 (4)
# of dead children	1.741** (0.835)	0.080 (0.557)	1.646** (0.687)	-0.139 (0.623)
Urban	-0.383 (0.533)	-1.087 (0.846)	-0.398 (0.568)	-1.259 (0.926)
Education	-0.148 (0.091)	-0.308*** (0.097)	-0.203** (0.080)	0.316*** (0.117)
Wealth index	0.352 (0.327)	-0.303 (0.478)	0.287 (0.365)	-0.070 (0.519)
Year_1995	-0.145 (0.171)	-0.001 (0.125)	-0.065 (0.155)	-0.083 (0.139)
Year_2000	-0.312 (0.220)	0.105 (0.149)	-0.170 (0.192)	-0.037 (0.171)
Observations	100	65	103	62
Number of countries	41	23	42	22

Appendix

Table A1: Surveys and years

DHS Code	Country	Year	SSA	Country panel	Consistent regions	All variables	Sibling history
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
AMIR42FL	Armenia	2000					no
AMIR52FL	Armenia	2005					no
BDIR31FL	Bangladesh	1993					no
BDIR3AFL	Bangladesh	1996					no
BDIR41FL	Bangladesh	1999					no
BDIR4JFL	Bangladesh	2004					no
BJIR31FL	Benin	1996	SSA				
BJIR41FL	Benin	2001	SSA				no
BOIR01FL	Bolivia	1989			no	no	no
BOIR31FL	Bolivia	1994			no		
BOIR3BFL	Bolivia	1998					no
BOIR41FL	Bolivia	2003					
BRIR01FL	Brazil	1986					no
BRIR31FL	Brazil	1996			small adjust.		
BFIR21FL	Burkina Faso	1992	SSA				no
BFIR31FL	Burkina Faso	1998	SSA				
BFIR43FL	Burkina Faso	2003	SSA		large adjust.		
KHIR41FL	Cambodia	2000			small adjust.		
KHIR50FL	Cambodia	2005				no	
CMIR21FL	Cameroon	1991	SSA		small adjust.		no
CMIR31FL	Cameroon	1998	SSA				
CMIR42FL	Cameroon	2004	SSA		small adjust.		
CFIR31FL	Central African Republic	1994	SSA	no			
TDIR31FL	Chad	1996	SSA		large adjust.		
TDIR40FL	Chad	2004	SSA				
COIR01FL	Colombia	1986			small adjust.		no
COIR21FL	Colombia	1990					no
COIR31FL	Colombia	1995					no
COIR41FL	Colombia	2000					no
COIR51FL	Colombia	2005					no
KMIR32FL	Comoros	1996		no			no
CGIR50FL	Congo, Rep.	2005	SSA	no			
CIIR35FL	Cote d'Ivoire	1994	SSA				
CIIR3AFL	Cote d'Ivoire	1998	SSA		no	no	no
CIIR50FL	Cote d'Ivoire	2005	SSA		small adjust.	no	
DRIR01FL	Dominican Republic	1986			no		no

DRIR21FL	Dominican Republic	1991		small adjust.	no
DRIR32FL	Dominican Republic	1996		no	no
DRIR41FL	Dominican Republic	1999			no
DRIR4AFL	Dominican Republic	2002		no	
ECIR01FL	Ecuador	1987	no	no	no
EGIR01FL	Egypt, Arab Rep.	1988		small adjust.	no
EGIR21FL	Egypt, Arab Rep.	1992			no
EGIR33FL	Egypt, Arab Rep.	1995			no
EGIR41FL	Egypt, Arab Rep.	2000			no
EGIR4AFL	Egypt, Arab Rep.	2003			no
EGIR51FL	Egypt, Arab Rep.	2005			no
ESIR00FL	El Salvador	1985	no		no
ETIR41FL	Ethiopia	2000	SSA		
ETIR50FL	Ethiopia	2005	SSA		
GAIR41FL	Gabon	2000	SSA	no	
GHIR02FL	Ghana	1988	SSA	small adjust.	no
GHIR31FL	Ghana	1993	SSA	small adjust.	no
GHIR41FL	Ghana	1998	SSA	small adjust.	no
GHIR4AFL	Ghana	2003	SSA	small adjust.	no
GUIR01FL	Guatemala	1987		small adjust.	no
GUIR34FL	Guatemala	1995			
GUIR41FL	Guatemala	1998			no
GNIR41FL	Guinea	1999	SSA		
GNIR51FL	Guinea	2005	SSA	large adjust.	
GYIR50FL	Guyana	2005	no	no	no
HTIR31FL	Haiti	1994		no	no
HTIR41FL	Haiti	2000			
HTIR50FL	Haiti	2005		small adjust.	
HNIR51FL	Honduras	2005	no	yes	no
IAIR42FL	India – Andhra Pradesh	1998			
IAIR50FL	India – Andhra Pradesh	2005			no
IAIR42FL	India – Assam	1998			
IAIR50FL	India – Assam	2005			no
IAIR42FL	India – Bihar	1998			
IAIR50FL	India – Bihar	2005			no
IAIR42FL	India – Goa	1998			
IAIR50FL	India – Goa	2005			no
IAIR42FL	India – Gujarat	1998			
IAIR50FL	India – Gujarat	2005			no
IAIR42FL	India – Haryana	1998			
IAIR50FL	India – Haryana	2005			no
IAIR42FL	India – Himachal Pradesh	1998			

IAIR50FL	India – Himachal Pradesh	2005			no
IAIR42FL	India – Jammu and Kashmir	1998			
IAIR50FL	India – Jammu and Kashmir	2005			no
IAIR42FL	India – Karnataka	1998			
IAIR50FL	India – Karnataka	2005			no
IAIR42FL	India – Kerala	1998			
IAIR50FL	India – Kerala	2005			no
IAIR42FL	India – Madhya Pradesh	1998			
IAIR50FL	India – Madhya Pradesh	2005			no
IAIR42FL	India – Maharashtra	1998			
IAIR50FL	India – Maharashtra	2005			no
IAIR42FL	India – Manipur	1998			
IAIR50FL	India – Manipur	2005			no
IAIR42FL	India – Meghalaya	1998			
IAIR50FL	India – Meghalaya	2005			no
IAIR42FL	India – Mizoram	1998			
IAIR50FL	India – Mizoram	2005			no
IAIR42FL	India – Nagaland	1998			
IAIR50FL	India – Nagaland	2005			no
IAIR42FL	India – Orissa	1998			
IAIR50FL	India – Orissa	2005			no
IAIR42FL	India – Punjab	1998			
IAIR50FL	India – Punjab	2005			no
IAIR42FL	India – Rajasthan	1998			
IAIR50FL	India – Rajasthan	2005			no
IAIR42FL	India – Sikkim	1998			
IAIR50FL	India – Sikkim	2005			no
IAIR42FL	India – Tamil Nadu	1998			
IAIR50FL	India – Tamil Nadu	2005			no
IAIR42FL	India – West Bengal	1998			
IAIR50FL	India – West Bengal	2005			no
IAIR42FL	India – Uttar Pradesh	1998			
IAIR50FL	India – Uttar Pradesh	2005			no
IAIR42FL	India - New Delhi	1998			
IAIR50FL	India – New Delhi	2005			no
IAIR42FL	India – Arunachal Pradesh	1998			
IAIR50FL	India – Arunachal Pradesh	2005			no
IAIR42FL	India – Tripura	1998			no
IAIR50FL	India – Tripura	2005			no
IDIR01FL	Indonesia	1987	no	no	no

IDIR21FL	Indonesia	1991		small adjust.	no
IDIR31FL	Indonesia	1994			
IDIR3AFL	Indonesia	1997			
IDIR41FL	Indonesia	2002		small adjust.	
KKIR31FL	Kazakhstan	1995		no	no
KKIR41FL	Kazakhstan	1999			no
KEIR03FL	Kenya	1989	SSA		no
KEIR33FL	Kenya	1993	SSA		no
KEIR3AFL	Kenya	1998	SSA		
KEIR41FL	Kenya	2003	SSA		
KYIR31FL	Kyrgyz Republic	1997	no		no
LSIR41FL	Lesotho	2004	SSA	no	
LBIR01FL	Liberia	1986	SSA	no	no
MDIR21FL	Madagascar	1992	SSA		
MDIR31FL	Madagascar	1997	SSA		
MDIR41FL	Madagascar	2003	SSA	small adjust	
MWIR22FL	Malawi	1992	SSA	no	
MWIR41FL	Malawi	2000	SSA		
MWIR4CFL	Malawi	2004	SSA		
MLIR01FL	Mali	1987	SSA		No
MLIR32FL	Mali	1995	SSA	small adjust	
MLIR41FL	Mali	2001	SSA	small adjust	
MXIR00FL	Mexico	1987	no	no	no
MAIR01FL	Morocco	1987		small adjust	no
MAIR21FL	Morocco	1992			
MAIR42FL	Morocco	2003		large adjust.	
MZIR31FL	Mozambique	1997	SSA		
MZIR41FL	Mozambique	2003	SSA		
NMIR21FL	Namibia	1992	SSA	no	
NMIR41FL	Namibia	2000	SSA		
NPIR31FL	Nepal	1996			
NPIR41FL	Nepal	2001			no
NPIR50FL	Nepal	2006			
NCIR31FL	Nicaragua	1997			no
NCIR41FL	Nicaragua	2001			no
NIIR22FL	Niger	1992	SSA	small adjust.	
NIIR31FL	Niger	1998	SSA		no
NGIR21FL	Nigeria	1990	SSA		no
NGIR41FL	Nigeria	1999	SSA	small adjust.	
NGIR4BFL	Nigeria	2003	SSA	small adjust.	no
PKIR21FL	Pakistan	1990	no		no
PYIR21FL	Paraguay	1990	no		no
PEIR01FL	Peru	1986		no	no
PEIR21FL	Peru	1992		no	

PEIR31FL	Peru	1996				
PEIR41FL	Peru	2000		small adjust.		
PEIR50FL	Peru	2004				
PHIR31FL	Philippines	1993			no	
PHIR33FL	Philippines	1998		small adjust.		
PHIR41FL	Philippines	2003		small adjust.		
RWIR21FL	Rwanda	1992	SSA	no	no	no
RWIR41FL	Rwanda	2000	SSA			
RWIR52FL	Rwanda	2005	SSA	small adjust.		
SNIR02FL	Senegal	1986	SSA	small adjust.	no	no
SNIR21FL	Senegal	1992	SSA			
SNIR32FL	Senegal	1997	SSA			no
SNIR4HFL	Senegal	2005	SSA	large adjust.		
ZAIR31FL	South Africa	1998	SSA	no		
LKIR02FL	Sri Lanka	1987	no			no
SDIR02FL	Sudan	1990	SSA			no
TZIR21FL	Tanzania	1992	SSA	no		no
TZIR3AFL	Tanzania	1996	SSA			
TZIR41FL	Tanzania	1999	SSA		no	no
TZIR4HFL	Tanzania	2003	SSA	small adjust.		no
TZIR4QFL	Tanzania	2004	SSA	small adjust.		
THIR01FL	Thailand	1987	no			no
TGIR01FL	Togo	1988	SSA		no	no
TGIR31FL	Togo	1998	SSA	small adjust.		
TTIR01FL	Trinidad and Tobago	1987	no			no
TNIR02FL	Tunisia	1988	no		no	no
TRIR31FL	Turkey	1993			no	no
TRIR41FL	Turkey	1998			no	no
UGIR01FL	Uganda	1988	SSA	small adjust.		no
UGIR33FL	Uganda	1995	SSA			
UGIR41FL	Uganda	2000	SSA			
UGIR50FL	Uganda	2006	SSA	small adjust.		
UZIR31FL	Uzbekistan	1996	no			no
VNIR31FL	Vietnam	1997				no
VNIR41FL	Vietnam	2002				no
YEIR21FL	Yemen, Rep.	1991	no			no
ZMIR21FL	Zambia	1992	SSA			no
ZMIR31FL	Zambia	1996	SSA			
ZMIR42FL	Zambia	2001	SSA			
ZWIR01FL	Zimbabwe	1988	SSA	small adjust.	no	no
ZWIR31FL	Zimbabwe	1994	SSA			
ZWIR41FL	Zimbabwe	1999	SSA			
ZWIR50FL	Zimbabwe	2005	SSA			

Table A2: Socioeconomic Characteristics of DHS surveys with and without sibling

	Sibling history	No sibling history	t-test
Children ever born	6.115	5.480	0.000
Children died	1.169	0.904	0.000
Education in years	3.368	3.732	0.000
Urban	0.367	0.438	0.000
Wealth index	-0.249	0.241	0.000
Observations	65352	72243	

Appendix B: Additional results

1) Including siblings

Table B1: Individual level with siblings

	(1)	(2)	(3)	(4)	(5)	(6)
	Olsen- Trussell	Instrument: Sibling death	Far in transition total children ever born	Early in transition total children ever born	SSA=0 total children ever born	SSA=1 total children ever born
# of dead children	0.209*** (0.011)	0.433*** (0.139)	0.564 (0.393)	0.392*** (0.152)	1.188*** (0.378)	0.259* (0.154)
Education	-0.137*** (0.004)	-0.125*** (0.008)	-0.144*** (0.020)	-0.104*** (0.010)	-0.116*** (0.020)	-0.107*** (0.010)
Urban	-0.396*** (0.036)	-0.373*** (0.040)	-0.208*** (0.060)	-0.478*** (0.054)	-0.246*** (0.051)	-0.510*** (0.060)
Wealth index	-0.224*** (0.022)	-0.174*** (0.038)	-0.257*** (0.080)	-0.122*** (0.047)	-0.138* (0.081)	-0.108** (0.049)
Religion: Muslim	0.187*** (0.057)	0.155*** (0.059)	-0.059 (0.098)	0.270*** (0.074)	-0.055 (0.095)	0.244*** (0.077)
Religion: Catholic	0.500*** (0.052)	0.509*** (0.054)	0.765*** (0.097)	0.315*** (0.070)	0.692*** (0.096)	0.272*** (0.072)
Religion: Christian	0.350*** (0.053)	0.377*** (0.056)	0.475*** (0.093)	0.279*** (0.069)	0.484*** (0.095)	0.255*** (0.070)
Age	0.087*** (0.009)	0.071*** (0.012)	0.072*** (0.020)	0.074*** (0.015)	0.033 (0.021)	0.090*** (0.016)
Sibling	0.054*** (0.004)	0.059*** (0.005)	0.046*** (0.008)	0.063*** (0.006)	0.038*** (0.008)	0.068*** (0.007)
Observations	41308	36326	10239	26087	12397	23929
Number of year*regions	464	444	102	342	110	334

Table B2: Regional level including siblings

	(1) Olsen- Trussell	(2) Instrument: Sibling death	(3) Instrument: measles	(4) Far in transition	(5) Early in transition
# of dead children	0.486*** (0.112)	0.198 (0.375)	0.670** (0.310)	2.237*** (0.509)	0.063 (0.439)
Urban	-0.885*** (0.320)	-1.063*** (0.405)	-0.771** (0.360)	-0.629 (0.475)	-1.299** (0.563)
Education	-0.207*** (0.040)	-0.231*** (0.052)	-0.192*** (0.046)	-0.082 (0.052)	-0.228** (0.091)
Wealth index	-0.206 (0.156)	-0.276 (0.187)	-0.161 (0.167)	0.491** (0.226)	-0.455* (0.253)
Year_1995	-0.170** (0.067)	-0.197** (0.079)	-0.152** (0.071)	-0.082 (0.076)	-0.136 (0.142)
Year_2000	-0.285*** (0.075)	-0.331*** (0.098)	-0.254*** (0.087)	-0.182 (0.137)	-0.140 (0.163)
Sibling	0.005 (0.020)	0.011 (0.023)	0.001 (0.021)	-0.032* (0.019)	0.046 (0.095)
Observations	513	513	513	221	292
Number of regions	223	223	223	82	141

B3: Country level

	(1) Olsen- Trussell	(2) Instrument: Sibling death	(3) Instrument: measles	(4) Far in transition	(5) Early in transition
# of dead children	0.726** (0.289)	-0.055 (0.670)	0.465 (0.450)	2.034 (1.375)	0.280 (0.461)
Urban	-1.275 (0.964)	-1.835 (1.243)	-1.462 (1.039)	-0.465 (1.709)	-1.804 (1.243)
Education	-0.203* (0.112)	-0.230* (0.138)	-0.212* (0.118)	0.105 (0.269)	-0.278** (0.136)
Wealth index	-0.110 (0.497)	-0.422 (0.646)	-0.215 (0.538)	0.352 (1.988)	-0.219 (0.511)
Year_1995	-0.150 (0.134)	-0.169 (0.164)	-0.156 (0.141)	-0.120 (0.174)	-0.144 (0.173)
Year_2000	-0.117 (0.155)	-0.224 (0.204)	-0.153 (0.169)	-0.369 (0.415)	-0.073 (0.233)
Sibling	0.014 (0.045)	0.015 (0.055)	0.014 (0.047)	-0.004 (0.051)	0.115 (0.234)
Observations	56	56	56	16	40
Number of countries	25	25	25	6	19