

# The Private Sector's Contributions to Family Planning Market Growth

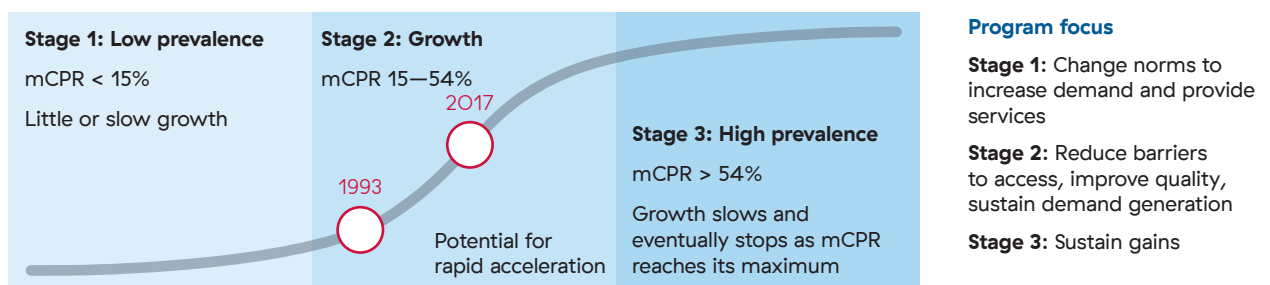
## Philippines

The Philippine family planning market has grown at different rates from 1993 to 2017, with the modern contraceptive prevalence rate among married women increasing from 24.9 percent to 40.4 percent. The private sector played a significant role in this growth. A SHOPS Plus analysis revealed several economic, sociocultural, policy, and programmatic factors that facilitated the private sector's contributions to increase the modern contraceptive prevalence rate. Understanding these factors can help donors and country governments better consider appropriate private health sector investments and interventions in their family planning programs.

A review of trends in the modern contraceptive prevalence rate (mCPR) across low- and middle-income countries has led stakeholders to develop a normative S-shaped pattern for growth (Figure 1). In this model, low prevalence and little growth occur on one end, with high prevalence and low growth on the other, and a period of potentially rapid growth in between (Track20 2017). While country growth patterns can vary substantially, the S-curve model serves as a framework to categorize countries to one of these three stages based on their mCPR (Feyisetan et al. 2017). The model can assist stakeholders in assessing the appropriate level of investment, type, and timing of interventions to help their countries' mCPR growth better mirror the S-curve, enabling more men and women to achieve their reproductive intentions.

### Figure 1. The S-curve for family planning markets

The Philippines is marked in red



Note: The mCPR percentages listed in this figure are among currently married women.

Source: Track20 (2017)

This is one in a series of briefs that examines family planning market growth since 1990.

Understanding the types of interventions that work best at each stage of the S-curve is necessary to create optimal family planning outcomes. The USAID-funded [Sustaining Health Outcomes through the Private Sector \(SHOPS\) Plus](#) project sought to identify those interventions that could best harness the private health sector within each stage of the S-curve. The project examined countries where (1) the private sector has played a significant role in the family planning market and (2) the private sector role has increased as mCPR grew. This analysis revealed economic, sociocultural, policy, and programmatic factors that facilitated increased private sector contributions. Understanding these factors can help donors and country governments better consider appropriate private health sector investments and interventions in their family planning programs.

The Philippines moved from Stage 1 to Stage 2 of the S-curve between 1993 and 2017, and mCPR among all women increased (STATcompiler 2019). To take the country to Stage 3, family planning stakeholders will need to contribute to population segments outside its current clientele, explore opportunities within populations currently served by the public sector, and expand services to youth and adolescents. This brief recommends strategies for stakeholders to leverage the private sector's contributions to growth.

## Methods

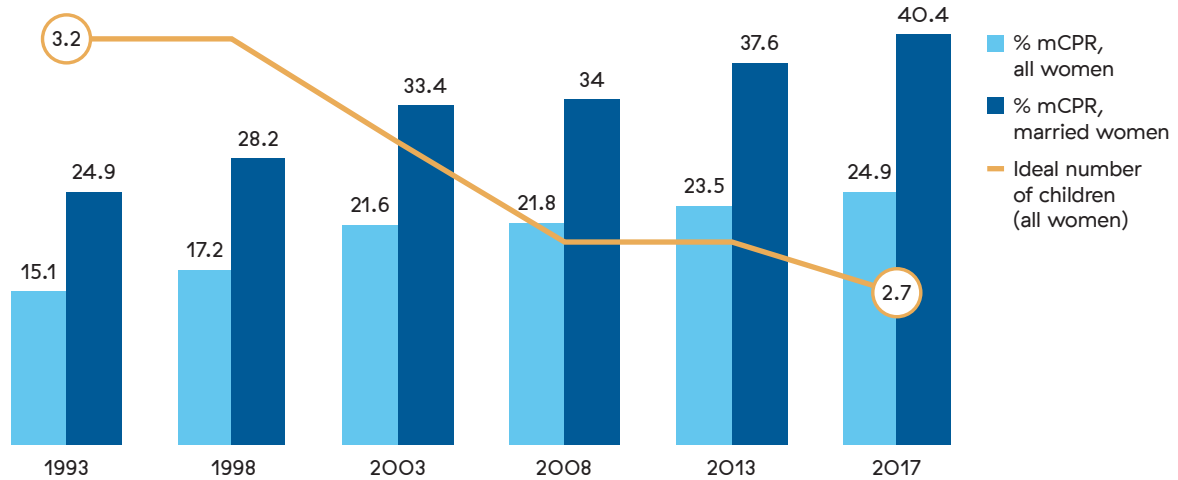
This is one in a series of briefs that examines the family planning markets in six countries since 1990. Five countries in Stages 2 and 3 (Bangladesh, Cambodia, Kenya, the Philippines, and Tanzania) saw increases in mCPR and private sector contributions. One country (Nigeria) saw substantial private sector contributions, but low growth in mCPR, and remained in Stage 1. Examining all six countries helps identify which factors are necessary for leveraging the private sector's contributions to growth.

SHOPS Plus conducted extensive secondary analysis of [Demographic and Health Survey \(DHS\)](#) data to examine trends in use of modern contraceptive methods by reported sources of supply, translating use rates into absolute numbers of women using [United Nations Development Programme's World Population Prospects \(2019 Revision\)](#) projections. The project conducted country-specific literature reviews and key informant interviews with experts who had worked in the Philippines' family planning market to explain trends revealed through the DHS data analysis. The goal was to better understand factors that enabled or inhibited private sector's contributions to mCPR growth.

## Family planning growth through strong, comprehensive public and private sector contributions

A quarter-century of economic growth and higher public sector investments led to a surge in the Filipino middle class and shifting roles for the private sector in the country's family planning landscape amid cultural constraints. Between 1993 and 2017, the mCPR among married women increased from 24.9 percent to 40.4 percent. Similarly, the mCPR among all women—married and unmarried—increased from 15.1 percent to 24.9 percent. The ideal number of children a woman desired declined from 3.2 to 2.7 (Figure 2), a level at which fertility preferences are no longer a limiting factor to mCPR growth (Track20 2017). Before 2013, mCPR increased at similar rates across all geographic groups, but between 2008 and 2017, growth was much higher among rural populations. Similarly, mCPR growth was highest among women in lower wealth quintiles, while use among women in the middle and upper quintiles stagnated or declined slightly.

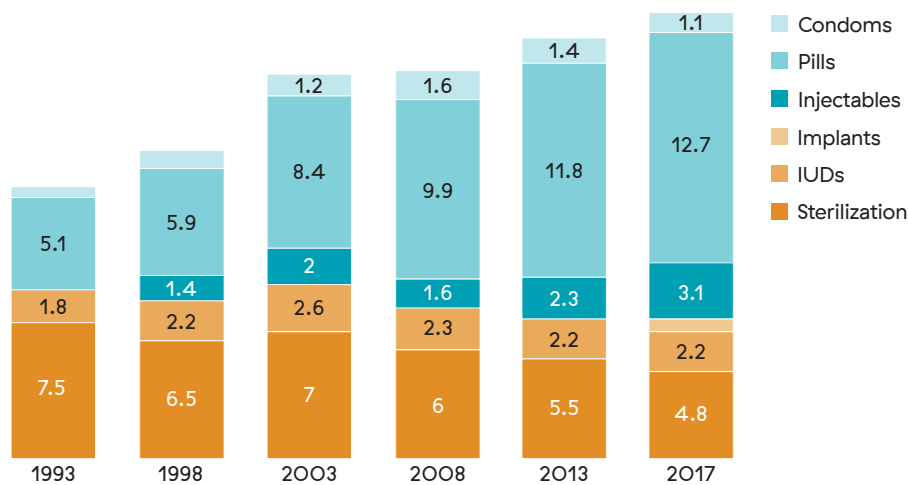
**Figure 2. Changes in family planning use and childbearing preferences, 1993–2017**



Among all women, this growth primarily occurred in two short-acting methods (Figure 3).<sup>1</sup> The use of pills among all women more than doubled from 5.1 percent in 1993 to 12.7 percent in 2017. Use of injectables increased from 0 to 3.1 percent of all women. Other methods did not show this pattern of sustained growth. The percentage of women who accessed a permanent method declined consistently throughout the time period. Use of condoms declined after reaching a peak of 1.6 percent in 2008. Use of IUDs also diverged from growth patterns observed in sub-Saharan Africa, declining after reaching a high of 2.6 percent in 2003. As in many other countries, use of implants showed a modest increase.

**Figure 3. Modern contraceptive use by method**

All women (%)

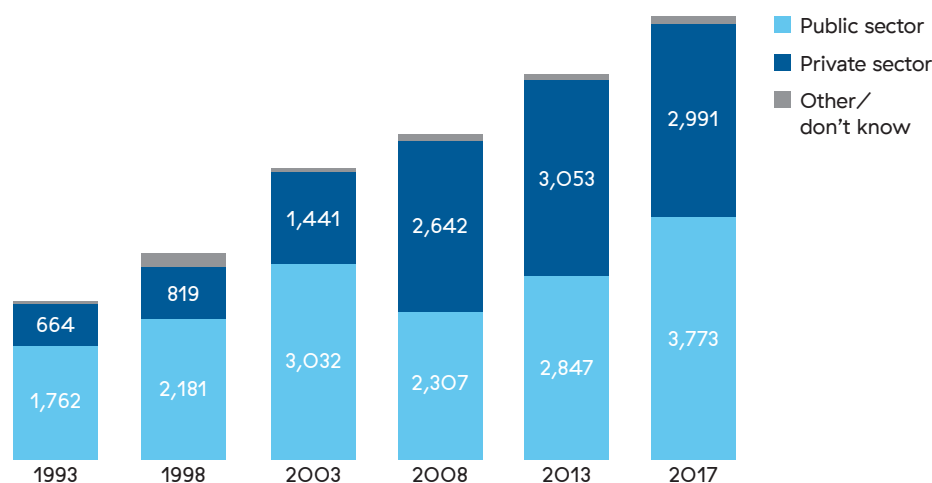


<sup>1</sup> Diaphragms, contraceptive foam or jelly, female condoms, and emergency contraception are included in graphs that show all modern contraceptives combined, but are not shown separately due to small sample sizes. This analysis excludes the lactational amenorrhea method, Standard Days Method, other fertility awareness methods, and DHS's category of other modern methods, as surveys do not systematically ask for sources of these methods.

Examining 25 years of family planning sourcing patterns reveals distinct trends. From 1993 to 2003, although the public sector served a greater share of family planning users, the contributions of the private sector increased at a higher rate, especially among urban and wealthier populations. Between 2003 and 2008, mCPR growth leveled off and there was a strong shift in sourcing patterns toward the private sector (Figure 4).<sup>2</sup> Between 2008 and 2013, while both public and private sectors grew substantially, the public sector began to account for a slight majority of new users. After 2013, the Filipino public sector regained its status as the main provider of modern family planning methods. While the private sector maintained a similar level of provision in terms of absolute users, its market share declined from 51 to 43 percent between 2013 and 2017.

**Figure 4. Sources of modern contraceptive methods by absolute number of users**

In thousands, by source



### Trends in sources of methods

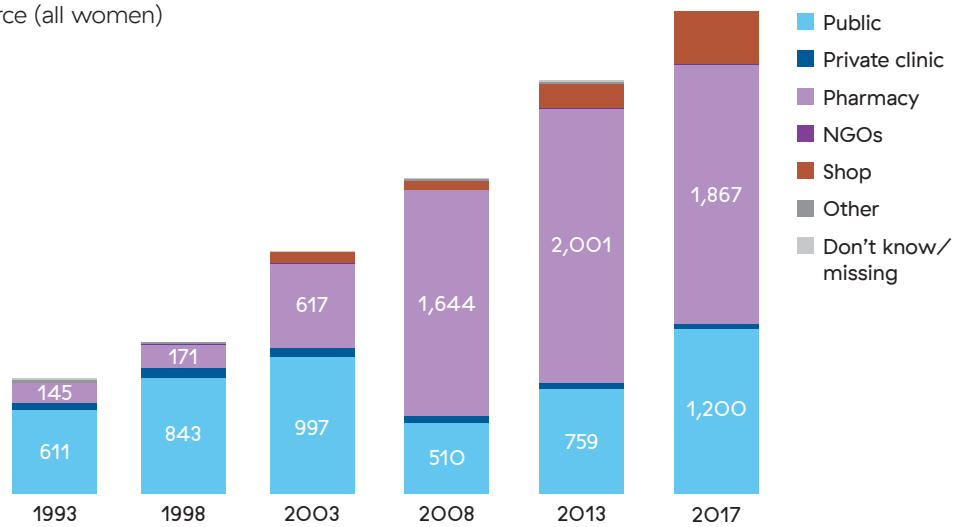
Pills and injectables are the two methods that contributed the most to mCPR increases in the Philippines. Since 1993, the number of women accessing pills from the private sector rose rapidly (Figure 5). Between 1993 and 2017, users accessing pills from private pharmacies increased by a factor of 13, and a smaller but growing number of women accessed pills from shops. The number of users sourcing pills from the public sector increased at a lower rate or declined.

However, the public sector was women's primary source for injectables at all time periods, highlighting a potential missed opportunity to leverage the private sector (Figure 6). In some countries, the private sector plays a larger role in the provision of short-acting methods (including injectables) than in long-acting and permanent methods. In the Philippines, the private sector's delivery of IUDs has outpaced its delivery of injectables (Figure 7).

<sup>2</sup> All absolute numbers of users presented in this brief are derived from a secondary analysis of DHS data applied to United Nations Development Programme's World Population Prospects (2019 Revision) projections.

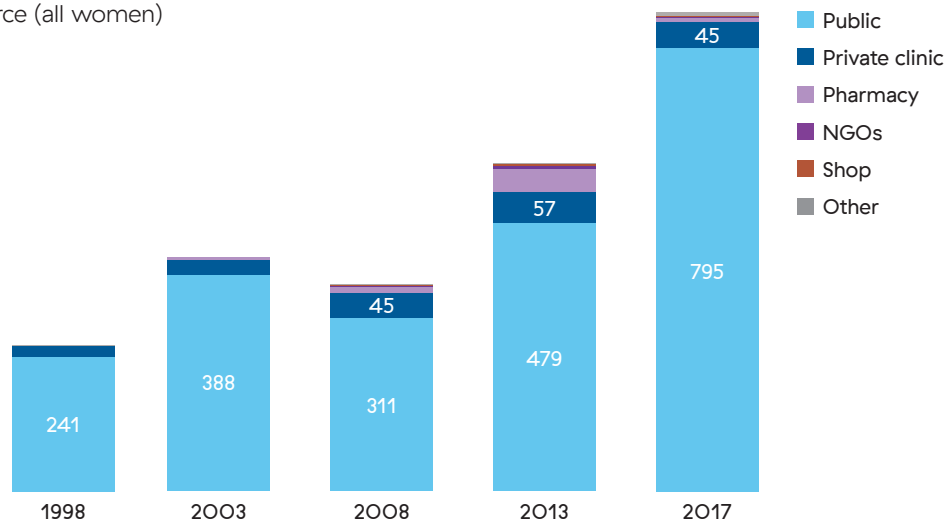
**Figure 5. Trends in number of pill users**

In thousands, by source (all women)



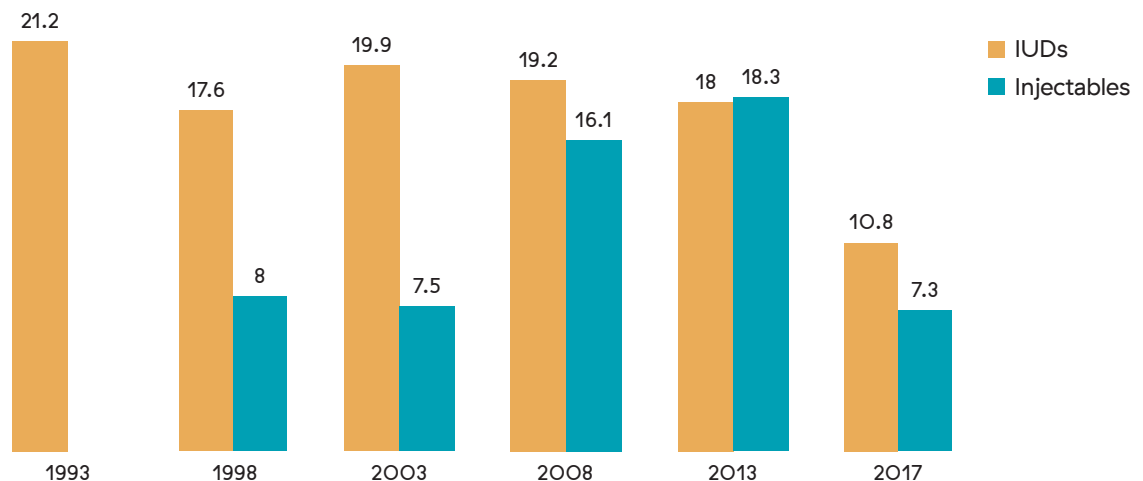
**Figure 6. Trends in number of injectable users**

In thousands, by source (all women)



**Figure 7. Proportion of women using injectables and IUDs accessed from a private source**

All women



## Private sector's contributions to growth in family planning provision

For the first 15 years covered by this analysis, growth of the private sector share of the Filipino family planning market outpaced that of the public sector and eventually began to account for a majority of the market. After 2013, that trend reversed so that public sector accounted again for a majority of users. Each sector has gravitated toward different methods and population segments. SHOPS Plus shared these trends with local family planning experts and conducted in-depth interviews to understand the underlying economic, sociocultural, policy, and programmatic factors that influenced these trends. The interviews surfaced several insights into factors that shaped the family planning market during this time.

Between 1993 and 2008, four factors combined to incentivize increased private sector actions.

- **Changing fertility preferences:** The average number of children a Filipino woman desired declined from 3.2 to 2.8, creating an opportunity for more women to use a modern family planning method to space or limit births.
- **Higher purchasing power:** Between 1993 and 2017, per-capita gross national income soared from \$2,980 to \$10,030. This, combined with bigger government investments in social safety net programs, led to a surge in the Filipino middle class. This economic growth also fueled increases in the number and quality of private sector channels.
- **Gaps in public investments:** For much of the 1990s and 2000s, the Filipino government emphasized traditional family planning methods, creating a gap for the private sector to fill, particularly through sales of pills.
- **Availability of donor resources:** Throughout the 1990s and 2000s, donors led by USAID invested significant resources in increasing access to family planning through the private sector. These programs sought to build demand, introduce new products, train private providers, and strengthen the private supply chain.

The private sector responded to these opportunities in several ways. Donor-funded private sector programs introduced new, cheaper pills and a new IUD in the early 1990s. Several new midwife-led franchises emerged with initial support from donors before transitioning to more sustainable business models. These franchises helped over 500 private midwives access trainings and contract with PhilHealth, the country's social health insurance program, to support delivery of postpartum IUDs. Private delivery of IUDs increased by 90 percent between 1993 and 2003.

Most significantly, social marketing company DKT entered the country in 1991 as part of a donor-funded condom program, gradually expanding its offerings to include pills in 1993, injectables in 2003, and IUDs in 2008—all sold at cost recovery levels or higher. Led by DKT, social marketing companies accounted for the vast majority of the private sector's contributions during the two decades when the private sector grew the most in the Filipino market.

Between 2008 and 2017, social trends and policy shifts opened doors to a larger role for the public sector in the family planning market and increased opportunities for public-private partnerships with the potential to increase mCPR.

**Saturated demand stalled private sector growth with urban and wealthier women:**

Stakeholders indicate persistent opposition from the Catholic Church and cultural leaders has limited continued growth of the family planning market. By 2008, growth began to level off among urban women and those in middle and upper wealth quintiles who could afford private sector products. Increasing use among these groups would require addressing entrenched sociocultural norms, which private actors were unwilling to do without government acceptance and support. However, there was further potential for growth among lower income and rural populations where private sector outlets were less prevalent. Starting in 2015, private providers began participating in mixed public-private service delivery networks, which gave them access to public sector commodities. While these partnerships could make private services more financially accessible to lower-income women, in practice few local governments have included private providers in their networks. Consequently, most growth in use among these populations has come through public channels.

**Increased public sector investments improved equitable access:** Since the election of President Benigno Aquino III in 2010, the Philippines public sector has increasingly promoted a shift from traditional to modern family planning methods. The 2012 Responsible Parenthood and Reproductive Health law mandated that all accredited public health facilities provide the full range of modern family planning methods and that local governments provide free contraceptives to the poor. The Filipino government has invested in new trainings and other programs to boost uptake of family planning through outreach and postpartum interventions. These interventions widened contraceptive access among poor and remote populations and may have shifted some potential private sector users to the public sector. The private sector has responded by partnering with the government to increase sales. For example, DKT has sold IUDs to the Filipino government since 2016.

**PhilHealth expansion addresses financial barriers, but does not cover short-acting methods:** Launched in 1995, PhilHealth greatly expanded its coverage of population and services, enrolling more than 92 percent of the population by 2015 and covering IUD and implant insertions, as well as permanent methods—though not pills and injectables. Stakeholders noted that this expansion helps explain increased private sector provision of IUDs compared to injectables, as private providers can generate substantial revenues through PhilHealth. Further expanding PhilHealth's offerings could reinvigorate private sector contributions to mCPR growth through short-acting methods—including through private midwife-led clinics that rely on the PhilHealth postpartum benefit package. Meanwhile, stakeholders cited challenges accessing injectables and implants in the private sector, including frequent stockouts of injectables (Callahan et al. 2019) and largely unaffordable pricing for implants by for-profit providers.

## Conclusion

The family planning landscape in the Philippines has evolved in two stages during the 25-year between 1993 and 2017, with several lessons for the country to reach Stage 3 of the S-curve. The Filipino private sector responded quickly to gaps in public sector service, spurring growth in contraceptive use in the early part of Stage 2. For the private sector to continue contributing to mCPR increases, it must contribute to population segments outside its current urban, wealthier clientele and explore opportunities within populations currently served by the public sector. It should also expand services to youth and adolescents, as the country tries to address a rising adolescent pregnancy problem and increase family planning among this demographic.

The analysis points to three key strategies for the Philippines to consider:

**Explore partnerships to make products and services affordable.** In other countries, public-private partnerships have given private providers access to subsidized commodities to bring costs down. Even among rural and poorer populations, some may prefer private sector for reasons of anonymity and convenience. For the private sector to continue contributing to mCPR growth, donors and government must address all potential barriers to private sector access.

As PhilHealth is making long-acting methods more accessible, family planning stakeholders should consider how they can further leverage it to reduce barriers for poorer populations and those in remote areas. Possible channels include the newly adopted PhilHealth protocols for standalone family planning clinics, which will separate family planning from the broader maternal health package, thereby increasing the number of facilities that could contract with the scheme. Additionally, stakeholders should consider how short-acting methods (especially pills and injectables) could be incorporated into the benefit package.

**Sustain demand creation.** Stakeholders indicate that private sector contributions to mCPR growth in the Philippines stalled as demand became saturated in its target markets, including urban populations with greater wealth, due to social and cultural norms. This barrier requires the Filipino government and its donor partners to significantly invest in behavior change campaigns, building on recent government interventions.

**Listen to market signals.** This experience highlights the importance of focusing on methods that men and women are increasingly adopting. While governments and donors have focused on supporting access to long-acting methods, Filipino women have continued to use short-acting methods. Understanding the reasons behind this continued trend and addressing barriers limiting further uptake of short-acting methods may be more effective strategies to increase mCPR.

While these lessons and programmatic considerations are based on the Philippines, they also inform how stakeholders in other countries can leverage the private sector to further increase mCPR and enable more men and women to achieve their reproductive intentions.



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