



USAID
FROM THE AMERICAN PEOPLE

USAID's New Economic Growth Strategy

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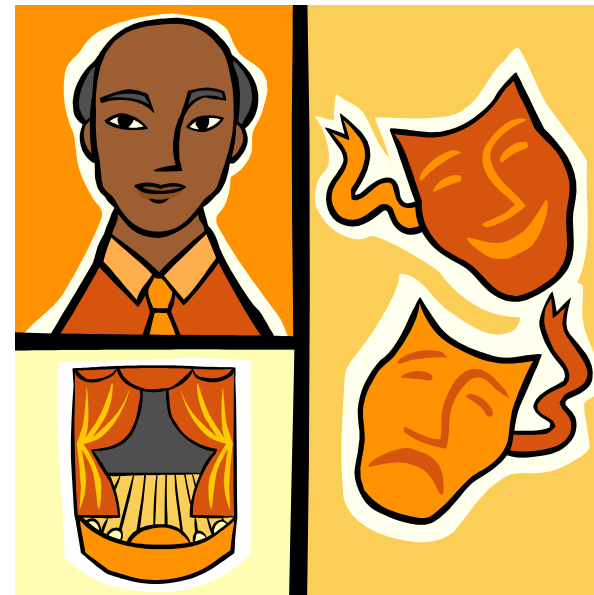
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From Whence Cometh the Strategy

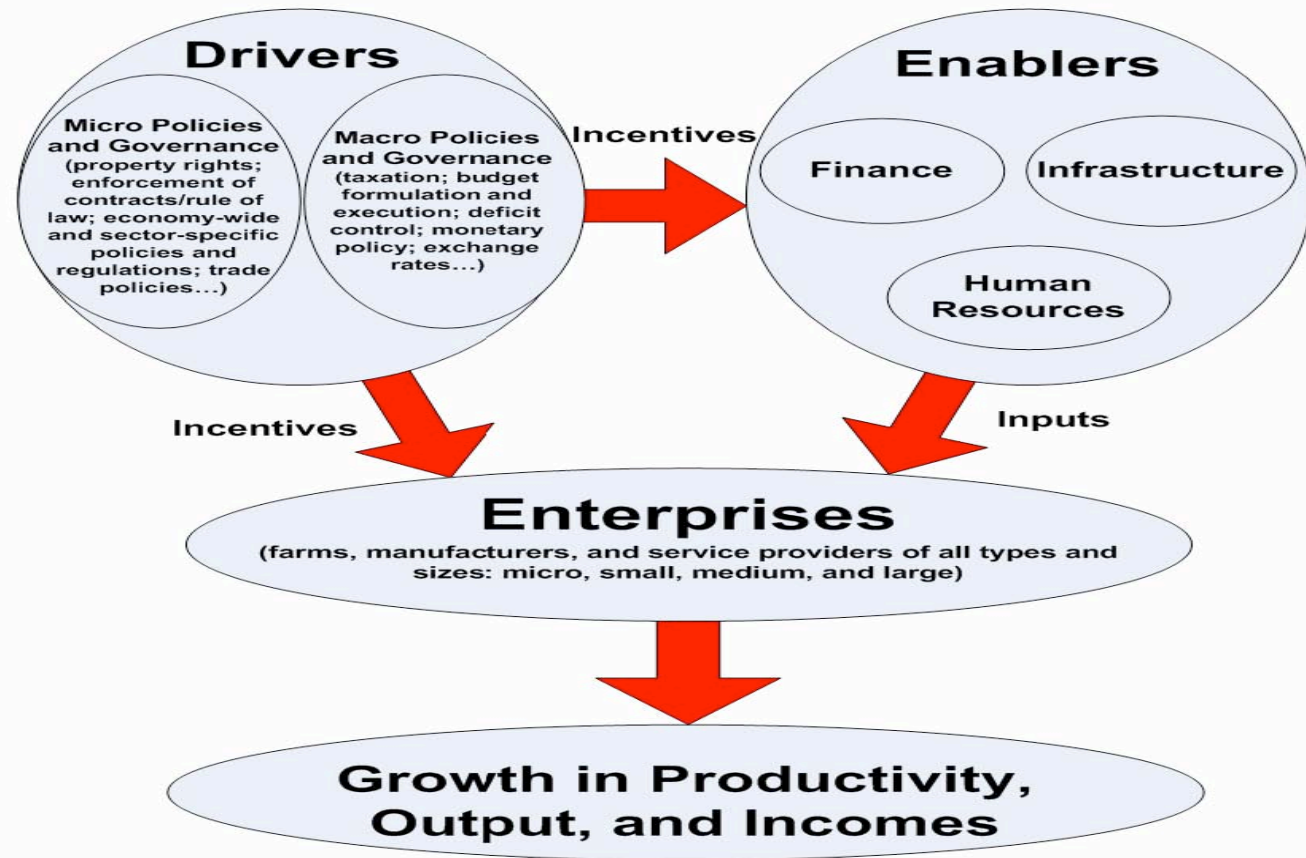
Oh, Economic Growth Strategy

Where forth art Thou?



Overall Framework

Figure 1: Framework for Economic Growth



Growth Begins with Competitive Firms

**All productivity growth takes place
at the level of the firm**

This includes producers in all sectors and of all sizes, from the family farm and the vegetable seller with a handcart to the largest global corporation.

Economic Governance Drives Growth by Shaping Producers' Incentives

A sound macroeconomic framework is the cornerstone for sustained growth.

Microeconomics has emerged as the next frontier for economies to sustain a strong rate of growth.

Other Factors Enable Growth

- **Education**
- **Workforce Development**
- **Finance**
- **Business Services**
- **Access to Market Information**

Core Principles for USAID Programs Pursuing Growth

- **Programs should seek large and systemic impacts**
- **Where systemic reforms are not yet underway, USAID will pursue programs that can demonstrate a catalytic impact**
- **Close attention to the political economy of change is important for results**

Public-Private Partnerships are Integral to the Economic Growth Strategy

- **Private sector constituencies are essential for policy reform**
 - **Business Associations & Think Tanks**
 - **Mechanisms for public-private sector dialogue**
- **Support to private sector solutions for community development**
 - **Jobs**
 - **Local NGOs as local government watchdogs**
- **Foreign private investment brings technology and productivity gains**
- **Local private investment even more important**

For more information

- Download a copy of the Economic Growth Strategy from the USAID website at

[www.usaid.gov/our_work/
economic_growth_and_trade](http://www.usaid.gov/our_work/economic_growth_and_trade)