



**USAID**  
FROM THE AMERICAN PEOPLE

# **USAID's New Economic Growth Strategy**

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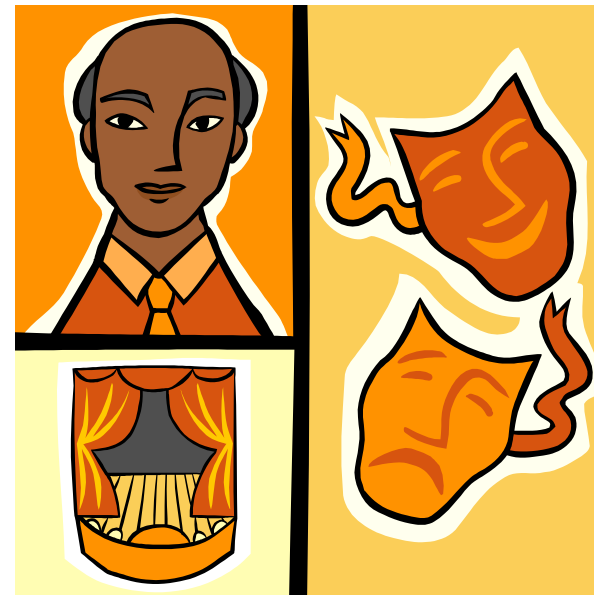
***AIARD Annual Meeting***

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# From Whence Cometh the Strategy

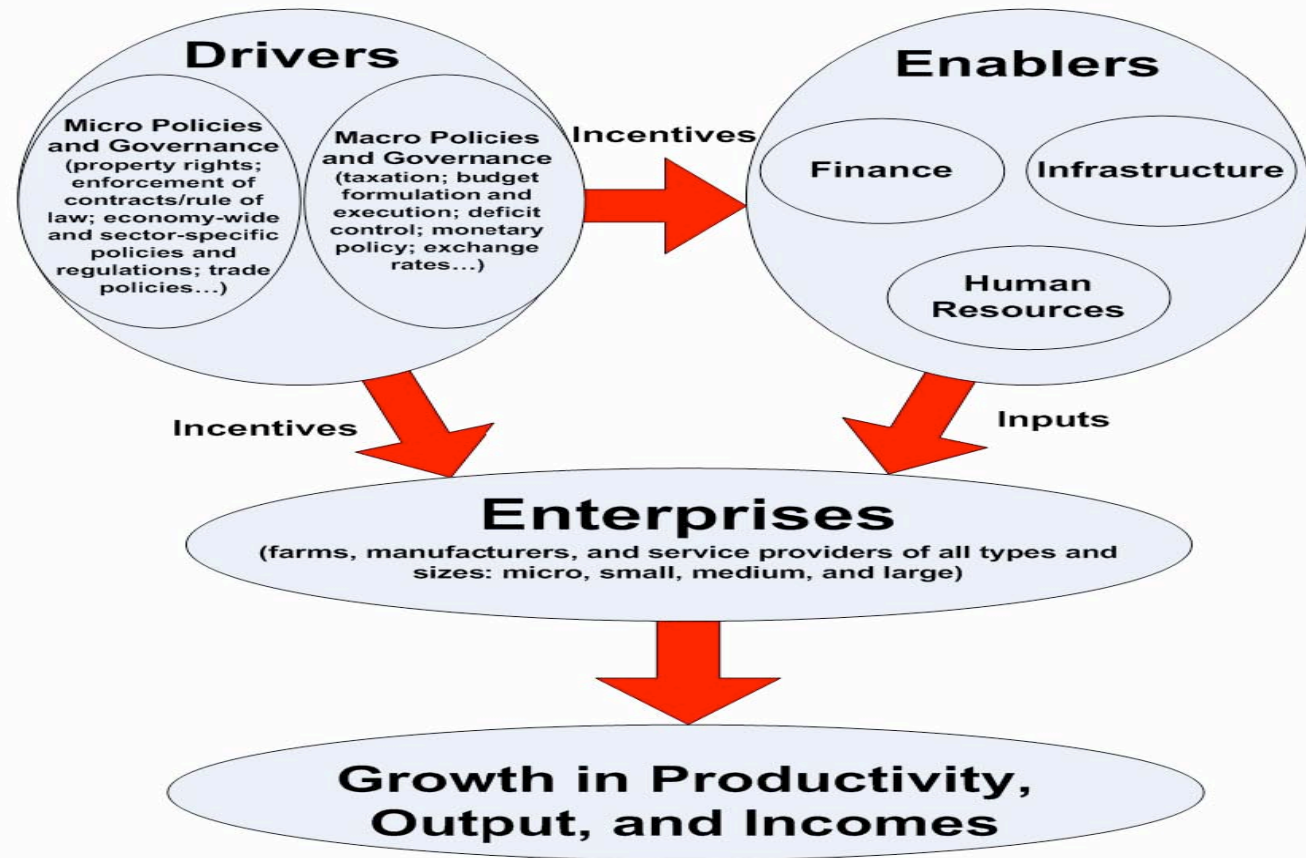
**Oh, Economic Growth Strategy**

**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)