



# Economic Growth Working Group

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- Economic Growth has three components: rapid, broad based and sustainable
- Rapid growth may not be possible when building capabilities of public and private institutions
- Broad based means poverty alleviation, thus programs need to focus on rural farmers.
- Focus should be on stable crops, livestock, agro-tourism and rural SMEs, not horticulture exports.



- Sustainability needs to focus on service providers to rural SMEs, not advocacy organizations
- Special attention to women, and women entrepreneurs
- Macro-economic reforms important, but should be left to IFC and multilateral orgs.
- More resources and attention needed on growth-oriented, rural SMEs



- Encourage programs that address “poverty penalty”
- More focus on trade association development rather than competitiveness clusters
- COPs with practical business experience more important than USAID knowledge and academic degrees



- USAID has major role in micro-economic reforms
  - Focus should be on firm level assistance, farmer organizations, rural and peri-urban SMEs
  - Increased bottom up business advocacy vs. top down “economic reform”
- Current USAID approach tries to fit same activities into different matrix countries



- Lack knowledge on how to overcome elites, warlords who manage economy
  - They benefit from conflict
  - No successful models for how to “democratize” economic development programs in these rebuilding states
  - More linkage between economic growth and democracy necessary



- USAID loosing major resource due to greater reliance on large contracts
  - Smaller PVOs and cooperatives become less competitive
- Youth bulge entering workforce must be trained, supported, financed
  - underemployment/unemployment high
  - Adding jobs will increase tax roles and address social/political instability



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