For 60 years, The Asia Foundation has supported Asian initiatives to foster inclusive economic growth and broaden economic opportunities.

The Foundation designs and implements economic programs in three core areas:

- **Business Environments for Private Sector Growth**
- **Entrepreneurship Development**
- **Regional Economic Cooperation**

Our program initiatives range from the local to the regional levels and work to:

- increase economic opportunities and expand investment and trade;
- strengthen partnerships among governments, private enterprise, and civil society to promote broad-based growth; and
- improve the responsiveness of public authorities to demand for a more supportive business environment, including for women entrepreneurs.

A supportive business environment for private sector development, including for micro, small, and medium enterprises (MSMEs) - the bulk of firms in Asia - is essential to competitiveness and to efficient markets, which are integral to sustained economic development, resiliency, and growth. Despite the importance of a supportive business environment, a lack of transparency, legal roadblocks, red tape, monopolies, vested interests, and a myriad of other barriers make it more difficult to do business in many developing countries in Asia, especially for women.

The Foundation’s approach to economic development focuses on creating more conducive business environments for sustained, inclusive economic growth and stability in Asia. Our programs support pro-market reforms of the business environment to unleash the potential of the private sector to raise incomes, create jobs, and grow the economy. They also strive to expand domestic and international trade and investments, and the integration of global or regional value-chains.

By engaging with citizens, entrepreneurs, governments, and civil society, the Foundation’s Economic Development programs help empower constituents to advocate for policy reform and to establish or strengthen channels for those reforms to be achieved. Ultimately, the outcome of these programs is improved economic governance, better business environments, and greater economic opportunities for all.

**THE FOUNDATION SUPPORTS THREE CORE AREAS IN ECONOMIC DEVELOPMENT:**

**Business Environment for Private Sector Growth**

We support the private sector’s push for business-friendly environments by identifying key barriers to private sector growth and supporting coalitions to push for feasible and politically acceptable reforms that will have tangible impact. We help form partnerships among governments, private enterprise, and civil society to promote open and inclusive economic governance not only within countries but also regionally. The Foundation promotes open and inclusive economic governance not only within countries but also regionally.

The Foundation relies on its network of 18 country offices to address important cross-border issues and promote the sharing of best practices.

Over the past decade, the Economic Development portfolio has rapidly expanded and now comprises a number of programs across Asia.

The Foundation has been working to promote economic growth, shared prosperity, and regional economic cooperation in Asia for over half a century.
**EXAMPLES OF THE ASIA FOUNDATION’S ECONOMIC DEVELOPMENT PROGRAM IMPACT**

**BANGLADESH**

Our Bangladesh office facilitated the environmental compliance reform of the leather industry by working with a multi-stakeholder public-private coalition, which will raise the crucial leather industry’s export potential, and save the river Buriganga (life line of the capital) from pollution. The office also launched the first e-business platform for women entrepreneurs.

**PHILIPPINES**

In bringing together a broad informal coalition of partners to help pass a breakthrough tobacco and alcohol excise tax reform law, the Foundation achieved a transformative reform based on the “development entrepreneurship” approach. The tax generated new revenue and largely funded the government universal healthcare program.

**SOUTH ASIA: REGIONAL TRADE FACILITATION**

Through partnering with local organizations in India, Bangladesh, Nepal and Pakistan, the Foundation documented the cost of non-economic cooperation on consumers, and created participatory platforms for their resolution, thus paving the way for savings amounting to 18% of the total value of intra-regional trade in South Asia.

**INDIA**

Our India office supported a trade consignment mapping and analysis project identifying the structural and institutional barriers to overland trade between India-Pakistan, India-Nepal, and Nepal-Bangladesh. This is expected to enhance the efficiency of selected cross border trade corridors in South Asia and reduce the costs of doing trade.

**MYANMAR**

In Myanmar, the Foundation published a report, on subnational governments and business focusing on the business environment encountered by Myanmar’s SMEs. The report identified key business-government interactions and related obstacles such as licensing and taxation complexities, and provided recommendations for institutional reform.

**MONGOLIA**

Our Mongolian office collaborated with the Ulaanbaatar City Municipality to develop an Economic Development Strategy plan for sustainable economic growth. The Foundation supported a consensus-based participatory process, including the development of a comprehensive SWOT analysis, to address the key issues facing the city.

**MYANM AR AND THAILAND: AEC TRAINING WORKSHOPS FOR SMES**

The Foundation co-organized five training workshops on strengthening SMEs’ understanding of the ASEAN Economic Community (AEC), to be established in 2015. The workshops provided participants with marketing and networking skills as well as an in-depth understanding of the implications of AEC, including legal and regulatory processes.

**MALAYSIA AND THAILAND: MIDDLE INCOME TRAP (MIT)**

The Foundation published the study, MIT: Economic Myth, Political Reality with local researchers and academics, which advocate a political economy perspective of MIT, provides recommendations, and highlights the importance of quality education and a good enabling environments for SMEs.

**SOUTHEAST ASIA - MAKING AEC WORK FOR SMES**

The Foundation supported a regional economic cooperation forum in Bangkok, which provided a platform for discussion on key issues such as non-tariff barriers (NTBs), logistics, regulations, technology, and best practices. The forum enhanced SMEs’ understanding of the ASEAN Economic Community (AEC) and identified proposed actions.

**INDONESIA**

The Foundation supported national and local governments in Indonesia by conducting analysis and research to promote a better understanding of local economic governance and the potential for critical policy reform. Key areas include business licensing, the regulatory framework, budget processes and allocations, procurement, logistics, and the value-chain of agriculture commodities.
broad-based economic growth through supporting public-private forums, working groups, and dialogues at the national and subnational level for dialogue to address key issues facing business people and communities. For example, in Cambodia, Sri Lanka, Bangladesh, and Nepal, the Foundation has facilitated subnational level public-private dialogues that have led to the simplification of regulations and reduction of taxes for SMEs. Through analysis of local context and applying a political economy approach, the Foundation has helped stakeholders shape and drive policy reform. This is the case in the Philippines, where transformative reform was achieved through the “development entrepreneurship” approach. For example, a broad informal coalition of partners mobilized the passage of a tobacco and alcohol excise tax reform law, which eventually helped the country generate revenue to fund the government’s universal healthcare program. The Foundation is also exploring innovative approaches to utilize the full potential of Information and Communication Technology (ICT) to support more transparent business environments for a better informed and more engaged business community. These include mobile information services and hotlines for business owners and trade barrier reporting websites for traders. In Bangladesh, a mobile-based platform for delivery of ICT services to women was launched in collaboration with Banglalink, a major mobile telecom operator.

ENTREPRENEURSHIP DEVELOPMENT

To foster entrepreneurship development, the Foundation maps out the constraints faced by aspiring and existing entrepreneurs in the context of an increasingly globalized economy. Through strengthening business associations and chambers for advocacy and networking, and by leveraging ICTs to improve business efficiency and build networks, the Foundation is helping entrepreneurs develop opportunities for growth and expansion. With a focus on empowering women entrepreneurs, particularly in South-East Asia where women-owned SMEs are growing rapidly, the Foundation invests in strengthening women’s networks and advocates on behalf of women’s business needs. During 2009-11, in Bangladesh the Foundation in partnership with the International Finance Corporation (IFC) promoted district women entrepreneurship through effective networking and inclusion in the district development dialogues. In 2013, the Foundation supported training workshops for SMEs on regional trade in Myanmar and Thailand. The workshops also helped small business owners gain an in-depth understanding of the impacts to their businesses in relation to the ASEAN Economic Community (AEC). In Vietnam, the Foundation works to strengthen the capacity of Vietnamese Business Associations and Cooperative Associations to support policy advocacy and equitable growth.

REGIONAL ECONOMIC COOPERATION

Regional economic cooperation is increasingly being seen as an important means to accelerate economic growth and address broader socio-economic and environmental issues. The Asia Foundation works across several dimensions, especially in the area of intra-regional trade and investment and regional value-chain optimization, in South Asia and Southeast Asia. The Foundation encourages the formation of networks and coalitions to remove impediments to trade such as non-tariff barriers. In South Asia, the Foundation is working with local partners to undertake a trade consignment mapping project to identify the policies needed to enhance the efficiency of regional trade corridors and enhance regional supply chains in India, Bangladesh, and Nepal. The Foundation also facilitates dialogue between policymakers and the private sector to push for measures that will help firms better capture the gains from regional integration. For example, the Foundation sponsored a Southeast Asia regional economic cooperation forum in Thailand on regional integration and the challenges of the ASEAN Economic Community (AEC) planned for 2015. The forum, “Making AEC work for SMEs,” was an opportunity for public and private sector representatives, the SME business community, and regional representatives from the ASEAN to discuss non-tariff barriers and other key challenges of regional integration.

OUR APPROACH

Our approach includes a “political economy” dimension to better understand the motivations and incentives of key stakeholders and to better engage with them throughout the reform process. It takes into consideration the dynamics of incentives, interests, and opportunities to develop flexible strategies for reform. Our activities are focused on evidence-based analysis, as well as knowledge and relationship building to help drive the policy reform process. The Asia Foundation is a nonprofit international development organization committed to improving lives across a dynamic and developing Asia. Headquartered in San Francisco, The Asia Foundation works through a network of offices in 18 Asian countries and in Washington, D.C. Working with public and private partners, the Foundation receives funding from a diverse group of bilateral and multilateral development agencies, foundations, corporations, and individuals.