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CHEMONICS INTERNATIONAL INC.

**EVALUATION OF THE USAID/URUGUAY
PRIVATE SECTOR DEVELOPMENT PROGRAM**

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ACRONYMS

ACDE	Asociación Cristiana de Dirigentes de Empresas
AMCHAM	Cámara de Comercio del Uruguay y los Estados Unidos de América
AUECE	Asociación Uruguaya de Empleados para la Calidad Total y la Excelencia
CAF	Cooperativas Agrarias Federadas
CERES	Centro de Estudios de la Realidad Económica y Social
CNC	Comité Nacional de Calidad
DESEM	Desarrollo de Empresarios (Junior Achievement)
EMPRETEC	Programa Internacional para el Desarrollo de Empresas Innovadoras
FUCREA	Federación Uruguaya de Centros Regionales de Experimentación
GOU	Government of Uruguay
IDB	Inter-American Development Bank
IESC	International Executive Service Corps
LATU	Laboratorio Tecnológico del Uruguay
LRJ	Legal, Regulatory, and Judicial
NIST	U.S. National Institute for Standards and Technology
PLADES	Plan Desregulación del Comercio Exterior y Inversiones
PSDP	Private Sector Development Project
UCRE	Unión Creadores de Empresa del Uruguay
UCUDAL	Universidad Católica del Uruguay Damasco A, Larráñaga
UNDP	United Nations Development Programme
USAID	U.S. Agency for International Development
VE	Volunteer Executive

SECTION I

EXECUTIVE SUMMARY

SECTION I EXECUTIVE SUMMARY

Between March 13 and May 12, 1995 CARANA Corporation conducted an evaluation of USAID/Uruguay's Private Sector Development Program (PSDP). The objectives of the assessment were to: "(1) carry out a final evaluation of the impact or results of USAID-sponsored private sector activities in Uruguay, and (2) to highlight the key lessons learned and the implementation experiences that could be useful in the design of private sector development activities in other countries."

The evaluation analyzes the project in terms of attitudinal and behavioral changes in the private sector and government with respect to the stated objectives of increasing "awareness by private business executives of measures to improve their competitiveness and better informing private business executives, Congress, and the public about legal, regulatory, and judicial (LRJ) issues." It also extracts the lessons learned from the PSDP initiative for application to similar projects elsewhere.

A. Principal Findings

A1. Did the Activities Being Evaluated Lead to Changes in Attitudes of Participants Regarding Competitiveness and LRJ Issues?

- Interviews indicated that with few exceptions the projects have been notably successful in raising the level of consciousness among members of the Uruguayan business community with respect to the need to enhance company performance and reform economic policies to improve competitiveness. In addition, the level of enthusiasm with respect to the work carried out under the projects was found to be exceptionally high.

A2. Did USAID/Uruguay Increase Private Business Executives' Awareness Regarding Measures to Improve their Competitiveness?

- Reviews of a small sample of companies, along with supporting survey data, showed that in addition to increased awareness of issues of competitiveness, actual changes in production and management were made as a result of new concepts acquired through the projects, which led to increased sales, profits, and employment.

A3. Did USAID/Uruguay Contribute to Business Executives and Legislators Becoming Better Informed About LRJ Issues?

- Generally, the impact of the project on LRJ reforms, especially through lobbying efforts on the part of the private sector, has been difficult to measure, certainly as compared to the results generated by the PSDP in raising awareness of issues of competitiveness among members of the private sector. However, the Mission's timing was excellent, as the new government is moving strongly to continue to improve the policy and LRJ climate for enhancing competitiveness.
- A notable exception to this overall finding has been the grant to the Cámara Nacional de Comercio to produce the "Blue Book" as the consensus position of the private sector

with respect to economic policy. This also had the unanticipated consequence of giving birth to the Consejo Superior del Empresariado, an inchoate “cúpula empresarial.”

- Preparation of the second Blue Book, for the 1995 elections, was accompanied by a more sophisticated and effective lobbying effort, although the private sector needs to be more aggressive and systematic in its efforts to influence public policy.
- Also, the Centro de Estudios de la Realidad Económica y Social (CERES) has been instrumental in producing a series of key studies on leading economic reform issues such as labor law flexibility, internal debt forgiveness, and bankruptcy. The findings of these studies are being considered by lawmakers.

A4. To What Extent Are Attitude and Knowledge Changed in Samples of Firms Participating in USAID Programs Regarding Competitiveness?

- Reviews of a small sample of companies showed conclusively positive changes in the way managers/owners manage their operations, particularly with respect to quality control and productivity.

A5. To What Extent Are Knowledge and Attitude Changed in The Sample of Firms, Business Executives and Legislators Participating in USAID Program Regarding LRJ Reforms?

- With few exceptions, no clear linkage could be established between USAID’s projects and specific LRJ reforms.

B. General Conclusions and Lessons Learned

In general, the PSDP achieved its goals and had a positive impact. Several significant lessons emerged from the PSDP experience in Uruguay, virtually all of which could be considered for use in the design and management of similar project interventions elsewhere.

- The decision to fund several small projects instead of one large intervention proved to be effective. It permitted the PSDP to reach a broader spectrum of the private and public sectors than otherwise would have been the case. In cost-benefit terms, too, this approach proved to have been a judicious and productive use of limited resources. That is, by focusing on one key issue—competitiveness—the Mission was able to maximize its impact and make a measurable contribution to Uruguayan economic development. The lesson is that it is crucial to make project design and implementation decisions on a case-by-case basis, depending on local conditions.
- The fact that USAID/Uruguay basically gave a good deal of discretion—within clear general guidelines and specifically defined objectives—to grantees to shape their own programs helped to create these successes. Instead of following a cookie cutter approach and not taking risks, the Mission correctly let each project develop its own strategy. The Mission had enough confidence to work with the individual grantees and not impose uniform “models” that might be easier to manage, but less likely to work.
- Unfortunately, the Mission will not be in place to support subsequent activities to consolidate the gains made under the PSDP. Ideally, a second stage would be the time

to help strengthen key institutions to permit continued focus on competitiveness, providing technical assistance and other services to individual enterprises. This would also help improve private sector advocacy of LRJ reforms. Even in the absence of funds for these kinds of activities, the Mission was able to generate enough enthusiasm and underwrite enough skills and knowledge transfer to leave a permanent capacity, particularly through its projects with Junior Achievement (DESEM), the Catholic University of Uruguay (UCUDAL), CERES, and the International Executive Service Corps (IESC) to continue to improve conditions leading to enhanced competitiveness.

- This is especially the case with respect to human resource development. It is the most important PSDP legacy that cannot be overestimated, and represents a critical lesson learned. Both UCUDAL and DESEM appear to have had the greatest impact of all the interventions, at least in terms of any lasting affect. The fact that UCUDAL now has a U.S.-trained cadre of professors in its business school, with permanent contacts with colleagues in the United States, will permit it to provide the educational base in preparing young people for careers in business. It also allows the university to maintain what amounts to a team of professionals able to provide consulting and training services to entrepreneurs, and serve as a center for information and state-of-the-art knowledge on business practices.
- DESEM too has played a key role in developing a human resource base for the private sector. It has introduced adolescents to the concepts and practices of business in an imaginative and effective way. With the availability of enhanced UCUDAL and ORT post-secondary facilities, young people have now a greater opportunity than ever to pass onto the next stage of developing business skills. The inescapable lesson of both the UCUDAL and DESEM projects is that leaving behind a trained and skilled human resource base represents the kind of permanence required for effective development.
- The practice of “creaming”—i.e., working with those organizations that stand the best chance of achieving success—by the Federación Uruguaya de Centros Regionales de Experimentación Agropecuaria (FUCREA) has yielded results and reinforces similar successful experiences elsewhere. It is essential that projects such as FUCREA look to those organizations and enterprises that have the greatest chance for success. First, the “cream” will stand the best chance of producing successful project outcomes—i.e., the desired results. Second, these successes can act as a motivation for the second and third tier businesses to seek to improve their performance.
- In the case of the Unión Creadores de Empresa (UCRE), technical assistance (in contradistinction to training) was successful because of the intensity of the interventions, however unplanned they may have been. Although the project called for providing technical assistance to 50 members, only 10 actually requested assistance. This allowed a greater concentration of resources per intervention, maximizing successful outcomes. The lesson is that it is more effective to enhance a few companies well than to provide mediocre or limited assistance to many. In other words, quality is more important than quantity.
- While the appropriate policy mix is important for sustained gains in competitiveness, it is nevertheless possible to work effectively at the individual and company level to improve skills, quality, productivity, management, and profitability. The lesson is that support activities are needed at both levels, even if they do not proceed at the same

velocity. It would be counterproductive to wait for policy advances without taking action at the company level. First, policy making tends to be much slower. Second, even if the adequate policy framework is not in place, companies and individuals can still improve their performance.

- Efforts at influencing policy (LRJ) produced minimal results for two reasons. First, relatively few resources were provided for these activities. Second, without a strong private sector umbrella organization, it is generally more difficult to interact effectively with the government, at least in terms of representation of a unified private sector. By contrast, CERES was able to produce significant results in its research. Here it is important to keep in mind that without sound empirical analysis, it is difficult to make cogent arguments for specific policy positions.
- It would have been helpful if the Mission had insisted on final, cumulative reports from grantees instead of accepting only a compilation of quarterly reports. The failure of the local consultant, contracted to monitor the project, to design and implement an effective methodology also made monitoring less effective than it could have been. Two lessons can be drawn from this experience. First, it is important to have final reports as a tool to help measure both impact and performance. Second, where the Mission lacks the technical knowledge to evaluate methodologies for monitoring projects and conducting surveys, it should contract a U.S. expert for assistance.
- What the PSDP did not reach in numbers, it reached in importance. That is, the projects strategically targeted key sectors:
 - Through DESEM, the PSDP is helping to form a new generation of business people, imparting cultural values that are necessary to the development of a strong and competitive entrepreneurial class.
 - Through UCUDAL, the PSDP has been able to create a cadre of trained teachers able to transmit the knowledge and skills required in a modern and open economy, among other things continuing the formative process begun in high school with DESEM.
 - The PSDP has provided technical assistance (and by implication awareness training) to several companies through IESC, FUCREA, UCRE, and even Cooperativas Agraria Federadas (CAF). Not only have entrepreneurs in the productive sectors learned about the need for improved competitiveness, they have been provided the technical assistance to make their companies more productive and profitable.
 - At the policy level, CERES and the Consejo Superior del Empresariado have interacted and continue to push for economic reforms with the government. CERES in particular publishes studies and articles, keeping the issues of competitiveness before the public eye.

As a final comment it is important to underscore once again the impact of UCUDAL and DESEM, especially the former. Leaving in place the qualified human resource base, with collegial contacts and networks in the United States, will be the most enduring legacy of the PSDP.

SECTION II

INTRODUCTION

SECTION II INTRODUCTION

A. Background

Between March 13 and May 12, 1995 an evaluation of USAID/Uruguay's Private Sector Development Program (PSDP) was conducted by CARANA Corporation. The objectives of the assessment were to: "(1) carry out a final evaluation of the impact or results of USAID-sponsored private sector activities in Uruguay, and (2) to highlight the key lessons learned and the implementation experiences that could be useful in the design of private sector development activities in other countries."

A team consisting of a senior evaluator and a private sector specialist spent 25 person-days on site collecting information and conducting 31 interviews with more than 60 key private and public sector officials and business managers. In addition, survey data on participants, collected under contract between USAID and a local consulting firm, Equipos Consultores, were used in conducting the analysis.

B. Scope and Purpose

B1. Objectives and Purpose

Through the PSDP, USAID has sought to "promote a more active participation by the private sector in the process of economic reform." Specific program "outputs" from the project interventions were identified as:

- Increasing awareness by private business executives of measures to improve their competitiveness.
- Better informing private business executives, Congress, and the public about legal, regulatory, and judicial (LRJ) issues.

The purpose of the evaluation was to assess the impact of the project in terms of attitudinal and behavioral changes in the private sector and government with respect to the stated objectives, and to extract the lessons learned from the initiative for application to similar projects elsewhere.

B2. Scope of Evaluation

The evaluation examined the effects, individually and collectively, of each of the 11 projects supported by USAID within the prevailing economic and political environment. Given the relatively short and truncated LOP, the evaluation could not make "final" judgments, as many of the projects were not allowed sufficient time to produce more measurable results, at least with respect to the longer term objectives of the PSDP. It is important to highlight the fact that the point of the evaluation was not to assess the performance or management of the projects. As a result, any judgments about the operations of the various initiatives will be made only as they have affected the respective impacts.

SECTION III

METHODOLOGY

SECTION III METHODOLOGY

A. Methods

Attitudes are best measured by behavior, and behavior is best measured by results. As the PSDP was terminated earlier than planned, it was not possible to apply the optimum methodology. Nevertheless, enough time had lapsed to permit the evaluators to assess the impact of the PSDP with a high level of confidence. Specific methods included the following:

- Semi-structured, open-ended, personal interviews of key private sector leaders, grantee organization staff, and senior government officials
- Review of USAID, grantee, and Government of Uruguay (GOU) documents
- Analysis of primary data generated through Mission sponsored survey¹
- Analysis of secondary data
- Site visits to “client” companies/beneficiaries

B. Variables

Independent variables for measurement of changes in attitude and behavior to improve competitiveness included the following:

B1. Actions Taken at the Project/Grantee Level

- Interventions—training, technical assistance, information, “awareness” events
- Follow-up requests and interventions
- Self-initiatives
- Interactions with GOU

B2. Actions Taken at the Policy Level

- Legislative reform initiatives
- Regulatory changes
- Implementation/enforcement interventions
- Executive actions

B3. Actions Taken at The Company Level

- Quality control mechanisms
- Plant layout/production techniques/technology
- Product design

¹ Due to sample selection problems, the data from the surveys were limited in their value. However, it was possible to make valid conclusions from some of the data, and these will be used in the report.

- Marketing
- Systems (financial, planning, human resources, MIS)
- Training
- Exports

SECTION IV

FINDINGS

SECTION IV FINDINGS

The evaluation determined the following, based on survey data, numerous interviews, and personal observation. The principal findings of the evaluation below are presented by research question as listed in the Scope of Work.

A. Did The Activities Being Evaluated Lead to Changes In Attitudes Of Participants Regarding Competitiveness And LRJ Issues?

- Interviews indicated that with few exceptions the projects have been notably successful in raising the level of consciousness among members of the Uruguayan business community with respect to the need to enhance company performance and reform economic policies to improve competitiveness. In addition, the level of enthusiasm with respect to the work carried out under the projects was found to be exceptionally high.

B. Did USAID/Uruguay Increase Private Business Executives' Awareness Regarding Measures To Improve Their Competitiveness?

- Reviews of a small sample of companies, along with supporting survey data, showed that in addition to increased awareness of issues of competitiveness, actual changes in production and management were made as a result of concepts acquired through the projects and led to increased sales, profits, and employment.

C. Did USAID/Uruguay Contribute To Business Executives And Legislators Becoming Better Informed About LRJ Issues?

- Generally, the impact of the project on LRJ reforms, especially through lobbying efforts on the part of the private sector, has been minimal, certainly as compared to the results generated by the PSDP in raising awareness of issues of competitiveness among members of the private sector. However, the Mission's timing was excellent, as the new government is moving strongly to continue to improve the policy and LRJ climate for enhancing competitiveness.
- A notable exception has been the grant to the Cámara Nacional de Comercio to produce the "Blue Book" as the consensus position of the private sector with respect to economic policy. This also had the unanticipated consequence of serving to give birth to the Consejo Superior del Empresariado, an inchoate "cúpula empresarial."
- Preparation of the second Blue Book, for the 1995 elections, was accompanied by a more sophisticated and effective lobbying effort, although the private sector needs to be more aggressive and systematic in its efforts to influence public policy.
- Also, CERES has been instrumental in producing a series of key studies on leading economic reform issues such a labor law flexibility, internal debt forgiveness, and bankruptcy. The findings of these studies are being considered by lawmakers.

D. To What Extent Are Attitude And Knowledge Changed In Samples Of Firms Participating In USAID Programs Regarding Competitiveness?

- Reviews of a small sample of companies showed conclusively positive changes in the way managers/owners manage their operations, particularly with respect to quality control and productivity.

E. To What Extent Are Knowledge And Attitude Changed In the Sample Of Firms, Business Executives and Legislators Participating In USAID Program Regarding LRJ Reforms?

- With few exceptions, no clear linkage could be established between USAID's projects and specific LRJ reforms.

F. Additional Findings

F1. Private Sector

- USAID's strategy to provide small grants to a group of nongovernmental organizations (NGOs), business associations, educational institutions, and related organizations was appropriate and reflects conditions in Uruguay. With the limited amount of funds available to the Mission, it has been able to develop a network of existing organizations capable of reaching a relatively large audience. This has been much more effective than creating a new institution or funding only one organization, which would have diluted impact and may even have caused rivalries with non-beneficiary organizations. The drawback is that some important institutions, such as the Asociación Rural, with a large membership, were not included.
- USAID's strategy to disperse resources among a large number of different NGOs and business associations achieved an impressive return on investment as the relatively small contributions to these entities resulted in programs that were well received and reached a broad cross-section of the private sector, including the agricultural and growing small business sectors.
- As may have been predictable in a virtually experimental program such as the PSDP, some projects were not as successfully implemented as others, notably the UCRE and CAF initiatives to assist their membership to be able to respond to competitiveness issues. These programs achieved only part of their desired effect due to program design flaws, institutional weaknesses and lack of follow-up—especially at CAF.
- Since other international donors, such as the World Bank and Inter-American Development Bank (IDB) were dealing only at the macroeconomic level, it was appropriate for USAID to provide assistance at the micro level, where tangible results are produced.
- The implementation of the projects was timely and reflected key changes in the world economy. This was especially important in Uruguay, where the state has been such an overwhelming factor in the productive sectors and protectionism had become a way of economic life.

- Compelling external pressures encouraged the Uruguayan private sector to become more competitive, irrespective of the USAID interventions, in order to survive in a changed world economy. Nevertheless, USAID projects have been instrumental in focusing the business community's attention on the key policy issues and mechanisms to improve their productivity and competitiveness at the company level.
- The USAID initiatives have been effective in providing support to the UCUDAL which, aside from ORT, provides the only serious degree-granting program in business administration in the country. Most important and enduring has been the upgrading of faculty able to reach on a sustained basis a growing student population seeking training and careers in business, as well as managers, through the presentation of workshops and seminars. This has been a significant contribution.
- The consensus of respondents interviewed is that DESEM has been successful in reaching out to relatively large numbers of adolescents and teaching them elementary concepts and practices of business. This is an important effort as it addresses directly the kinds of social and cultural values that have impeded the development of effective entrepreneurship in Uruguay.
- The private sector, without support from any international donor, created the Asociación Uruguaya de Empresas para la Calidad Total y la Excelencia (AUECE), an indication of the seriousness with which the business community views the need for increased quality, productivity, and competitiveness. While causality cannot be established, it may be suggested that the Mission's projects contributed to the creation of a climate in which an organization such as AUECE could be established.

F2. Public Policy

- The new government has announced an economic program that is consistent with the issues the Mission has been supporting, indicating a recognition of the pressing need to improve competitiveness. While the organized private sector played a relatively minor role in bringing this about, the Mission's activities, begun two years ago, have helped to promote the GOU's agenda.
- Similarly, the creation of the Comité Nacional de la Calidad is another indication of the GOU's recognition of the need for enhanced quality and productivity to improve competitiveness.
- The extraordinary power of the judiciary, which has sided frequently with labor, has constrained the ability of the executive and legislative branches of the GOU to make greater labor law and related reforms than otherwise might be the case.
- The public appears to be reluctant to embrace necessary economic reforms, as witnessed most recently and dramatically by the popular rejection in a national referendum of the GOU privatization initiative.
- Even with the policy reforms that have been achieved, as well as the steps taken by the private sector to increase competitiveness, the long and strong tradition of dependence on the state continues to act as a drag on more comprehensive and aggressive economic modernization.

The USAID projects really represent the first stage of what ideally should have been—but was made impossible by the closure of the Mission—a more sustained and integrated effort, providing technical assistance and training at both the institutional and company levels. The Mission's initiatives have helped to create the critical mass required to move forward. Awareness of competitiveness issues has been generated, as has enthusiasm for greater productivity, quality, and other measures that will increase the capacity of Uruguayan companies to compete successfully in open markets. Unfortunately, a second stage where the concepts can be converted into concrete actions will be missing—unless other international donors are willing and able to take up where the Mission has been forced to leave off.

SECTION V
ANALYSIS

SECTION V ANALYSIS

A. Economic and Political Environment

The Republic of Uruguay is the oldest democracy in Latin America and perhaps the first modern “welfare state” in the world. As early as 1916, under the leadership of President José Batlle, Uruguay established the first ever social security system, fully 19 years before the U.S. introduced social security in 1935. While progressivism and democracy—with the traumatic exception of the military regime in the 1970s and 1980s—nurtured a middle class society free from many of the severe socioeconomic problems encountered elsewhere in Latin America, it also spawned a national dependency syndrome. Over the past several decades, Uruguayans have become accustomed to a large government and a centralized economy in which the state has played the dominant role. One especially distressing result has been the creation of a mentality characterized by an over-reliance on government for everything from jobs to protectionist policies, shielding Uruguay from the realities of a changing and more competitive world.

Despite the slow pace of economic reform and modernization, Uruguay still enjoys relatively high scores on leading socioeconomic indicators. Literacy, for example, is 96 percent, while life expectancy is 72.4 years and infant mortality is 20 per 1000 population. Per capita income is one of the highest in Latin America at approximately \$4000 per year, and per capita GDP grew at an average annual rate of 3.3 percent between 1990 and 1993. During the same period, the overall GDP registered a relatively strong annual growth rate of 3.9 percent. However, Uruguay faces some critical problems. The government payroll is proportionately the highest in the hemisphere—with the obvious exception of Cuba. Since the population pyramid represents what Uruguayans themselves call a cylinder, and with so many people on social security retirement (eligibility is at age 55 generally, although many retire before reaching the threshold), Uruguay will not be able to sustain the present system as it exists. In order to avoid collapse, it needs to accelerate the pace of economic reform at both the policy and company levels.

With the lowering of tariffs, many domestic products are facing increasingly stiff competition from imports fueled in part by demands for better quality and in part by an appreciated peso. Manufacturing declined 9 percent in 1993, reflecting this trend, and the trade deficit more than doubled in 1993. Because Uruguay is so vulnerable to fluctuations in demand from neighboring countries, especially Argentina, and is trading within a much freer market environment, it needs to increase the competitiveness of its products and services to contend successfully in MERCOSUR as well as penetrate other markets.

While the need for modernization may be obvious, changing entrenched attitudes, behavior, and traditions is a difficult task. Nevertheless, Uruguay has little choice but to improve the efficiency of its productive sectors in an increasingly open and competitive world economy. The government, however reluctantly, is aware of this pressing need. The two major political parties, the Colorados and Blancos,¹ are moving toward consummation of a pact, agreeing to take

¹ The Colorados, recently elected to the presidency, occupy a left-of-center position on the political spectrum; the Blancos sit to the right of center. The left-wing Frente Amplio, until the 1995 elections, was relatively marginalized. However, it showed impressive strength at the polls this time around, and accounts for about one-third of the seats in the legislature.

cooperative actions to bring about economic policy and regulatory reforms. Private enterprise, too, is becoming increasingly aware of the need to improve its competitive position. The public, however, still appears to lag, and the Frente Amplio, the third major political party, opposes privatization and a reduced role of government in the economy.

Although much more power is concentrated in the presidency than the legislature, giving the president the ability to execute and in effect make policy. This is attenuated by an active judiciary, made stronger by the absence in many cases of statutory and procedural guidelines. This is the case with respect to economic issues, especially laws and regulations—or the lack thereof—governing labor. The supreme court in particular has the latitude to make wide judicial interpretations in the absence of statutes and codified procedures. On labor issues the court frequently sides with employees and unions, hamstringing efforts at economic reform. More importantly, because the courts cannot initiate policy, but only rule on it, and because neither the legislative nor executive branch of government has promulgated regulations, the rules of the game are very fluid and unpredictable.

Despite these and other problems affecting economic policy, the GOU has taken several steps in recognition of the need for economic modernization. For example, it established the National Quality Commission and upgraded the National Technological Laboratory (the equivalent of the U.S. National Institute for Standards and Technology). Within one month of assuming office, the new president proposed an economic plan with emphasis on economic reform, strengthening the private sector and improving business's competitiveness. In addition, he pushed the pact between the Colorados and Blancos to pursue bipartisan measures for economic liberalization. While this portends well, Uruguay still has a way to go in crafting a modern economic policy framework and reorienting the attitudes and behavior of business, as well as the public, in enhancing the ability to compete successfully in open markets. Emblematic of the kinds of challenges posed is a graffiti on a wall in the center of downtown Montevideo that proclaims in carefully and brightly painted letters: "No a la Productividad."

B. USAID Role

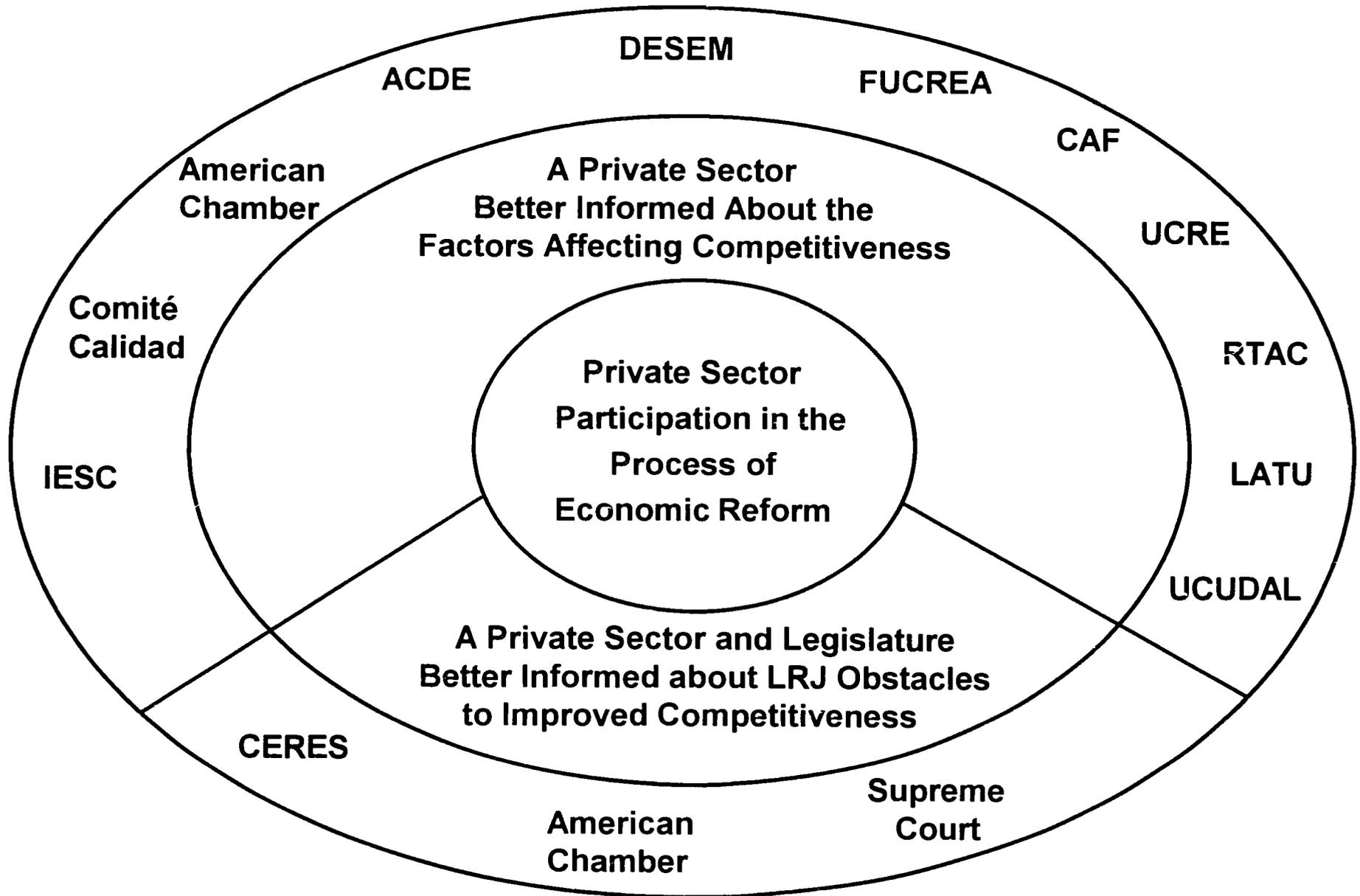
It might seem that a USAID Mission with very modest resources could do little to affect changes in attitudes and behavior to increase awareness of the need to improve competitiveness. However, the Mission's initiatives have produced results and a measurable impact. This is all the more impressive in light of the fact that many of the projects in the portfolio are being terminated two years ahead of schedule, after AID/Washington decided to close down USAID's presence in Uruguay. This means that the full impact of the Mission's efforts as originally envisioned can never be known as the project will not have been completed as planned.

Basically, the Mission conceived a strategy of "letting a thousand flowers bloom." That is, instead of channeling its \$1.5 million over two years for the Private Sector Development Project (PSDP) into one institution to promote competitiveness, USAID decided to support a range of different grantee organizations in or related to the private sector with small levels of funds (see Diagram 1, on the next page, is a schematic conceptualization of the PSDP). As will be seen, this strategy seeded the flowers, most of which in fact did bloom.

Second, despite the fact that several institutions received grants, the PSDP was highly focused: its sole objective was to promote competitiveness of Uruguayan business in both the domestic and international markets. By the same token, the decision to support several institutions rather than a single organization, such as the Chamber of Commerce or Chamber of Industry,

DIAGRAM I

PSDP Conceptual Structure



helped to produce the successes enjoyed by the PSDP. As no private sector umbrella association exists, supporting one institution only would have limited the multisectoral approach that helped to make the project a success.

Third, in a similar vein, the Mission elected not to create a new institution to manage one large initiative. This, too, was a judicious decision. Experience in similar projects elsewhere in the Americas² shows that a large portion of the funds allotted to the project virtually inevitably would have gone to maintaining a staff and facilities instead of being spent directly on specific training and technical assistance.

Fourth, by not creating a new institution, the Mission sought to lay the groundwork for self-sustaining activities. That is, by investing in existing organizations USAID was able to avoid the possibility that when it eventually withdrew support the newly created organization would either collapse or, at best, continue at a greatly reduced capacity. While there is no guarantee that all the necessary or desirable follow-up to PSDP projects will take place, at the very least an organizational infrastructure will continue to exist to promote efforts to improve competitiveness.

Fifth, another key element of the strategy was, within the framework of promoting competitiveness, to let each organization develop its own program according to specific needs. The Mission did not impose a single "model" on the grantees, but rather worked with them to craft individual projects. This approach helped produce measurable results as the interventions, with few exceptions, reflected the needs, demands, and interests of the participants. At the same time, this permitted the Mission to maintain a deliberately low profile, allowing the grantees to incorporate the specific projects into their respective agendas and not become, in effect, organizational appendages of a project supported by an international agency.

Sixth, the Mission "vertically integrated" its approach to reinforce transference of knowledge and skills required for increased competitiveness. Three levels of assistance constituted a vertically integrated set of interventions. At the first tier was DESEM, the local Junior Achievement Program, introducing high school students to business concepts and practices. The second tier was at the university level, where the PSDP provided support for the training of a large group of faculty at the Catholic University's school of business, permitting a sustained capacity for the education and training of a new and more prepared generation of business leaders. The third level of intervention was at the entrepreneurial and business managerial level, where business owners and managers were able to improve their knowledge of competitiveness through training workshops and seminars.

This strategy was well-conceived for at least two important reasons. First, it was able to reach a large inter-generational audience, expanding the transfer of awareness and knowledge of business concepts into the future. Second, it capitalized on using existing institutions, maximizing the opportunities for sustained training and educational initiatives after the termination of the PSDP. Once again, through the judicious award of small grants, the Mission was able to leverage a much larger impact than otherwise might have been the case.

Seventh, the USAID strategy was complementary in many respects to assistance provided at the macro level by the IDB and World Bank. Although the Mission supported activities designed to promote policy reforms to enhance competitiveness of Uruguayan business, the

² The most obvious examples are CINDE in Costa Rica and FUSADES in El Salvador.

majority of resources went to underwrite institutional and company level interventions. Similarly, the Mission sought to promote cooperation between various grantee organizations and international agencies. Thus, for example, CERES worked with the IDB on policy issues, and UCRE was born of the UNDP (and initially USAID) supported training project EMPRETEC. As will be seen, the impact of these activities largely produced positive results.

Finally, the Mission sought to incorporate into its interventions an experimental effect. That was particularly the case with respect to the decision to let the grantees have a major part in designing—as well as managing—their respective projects. This represented the kind of calculated risk that should but all too often does not drive USAID project initiatives. By taking prudent risks, USAID was able to produce a positive impact—and even its “failures” were instructive.

C. Private Sector

There is no question but that the PSDP has achieved its overall goal of increasing awareness of issues of competitiveness in the private sector, certainly as measured among the dozens of respondents interviewed for this evaluation. Table 1 below also indicates strong support

TABLE 1. PARTICIPANT ASSESSMENT OF PSDP ACTIVITIES

Increased Information about Factors Impacting Competitiveness

<u>Answer</u>	<u>Response rate (percent)</u>
A great deal	26
A lot	34
Somewhat	31
No response	9

Helped Identify Possible Changes in Competitiveness Strategy

A great deal	17
A lot	26
Somewhat	40
Not at all	0
No response	9

Motivated Implementation of Changes in Competitiveness Strategy

A great deal	14
A lot	29
Somewhat	40
Not at all	0
No response	9

Provided More Information about Need to Improve Competitiveness of My Enterprise

A great deal	26
A lot	34
Somewhat	31
Not at all	0
No response	9

Source: Equipos Consultores monitoring project.
(N = 108)

for the PSDP among a randomly selected sample of participants. The most significant finding is the 79 percent of the respondents who reported that the various PSDP activities helped them to increase their knowledge about the factors that impact their competitiveness strategies. Forty seven percent indicated that they identified possible changes in their competitiveness strategies as a result of their participation in the PSDP, and almost the same number—43 percent —said they had begun actually to implement changes to improve competitiveness. Finally, 66 percent indicated they now had more information about the impact of competition on their activities. When the response rates are adjusted to include the response “Somewhat,” the results are even greater. In other words, the number or percentage of negatives is extremely small.

These data are supported by the results of the personal interviews with project participants. With few exceptions, they were positive. Even where criticisms existed, they were couched in positive terms. For example, one company manager received a IESC volunteer whose skills were not entirely appropriate to the requirements of the job, making his participation marginal. The manager, however, still had praise for the concept of IESC and suggested that it improve its recruitment procedures.

Given the national economic strategy adopted by the new government—essentially a continuation of the Lacalle administration’s policies—it is difficult to see how serious businesspersons could not be conscious of the impact of a changing world economy on their enterprises and the need to improve competitiveness in order to survive in MERCOSUR and extra-regional markets. In this sense, the PSDP was both timely and responsive. As a consequence, the initiative was able to provide tangible technical assistance and training to assist the private sector meet the challenges posed by today’s global economic realities, in addition to expanding awareness of the nature of and need for increased competitiveness.

A review of the grantee organizations and their projects shows that with few exceptions the USAID sponsored PSDP initiatives generated both enthusiasm and results. A project-by-project review reveals that substantial numbers of entrepreneurs, managers and students aspiring to be businesspersons have participated in dozens of USAID-sponsored events. Interviews with grantee organization leaders and project participants³ almost uniformly revealed both a heightened awareness of competitiveness issues as well as praise for the PSDP initiatives. Similarly, visits to companies showed improvements in production and other processes which were directly attributable—by managers and owners—to project interventions.

The several projects can be put into a typology for analytical purposes. Basically, four types of interventions were supported by USAID:

- Training
- Technical assistance (at the company level)
- Interest aggregation and articulation
- Public sector participation

These intervention types reflected the spectrum of need in implementing efforts to change attitudes and behavior—not to mention policies and LRJ procedures—at least with respect to the

³ In addition to the 108 participants surveyed for Table 1, the evaluators conducted personal interviews with more than 60 representatives of and participants in the various PSDP projects.

need for individual businesses to take steps to improve quality, productivity, marketing, and other activities required to make them more competitive.

In addition to providing technical assistance and training, it is important to point out that the Mission also sought to complement activities of existing organizations to expand its efforts to promote awareness of competitiveness. The most visible example is the Mission's work with the National Quality Commission to develop the National Quality Award, the Uruguayan analogue to the Malcolm Baldrige prize. As will be seen in the analysis, this kind of "leveraging" occurred as part of specific interventions at the institutional level.

Before proceeding to a review of the different projects under the PSDP, it is important to point out that the purpose of the evaluation is not to conduct an in-depth project-by-project assessment. Rather, the review is designed to provide an orderly overview of the kinds of activities carried out under the PSDP, identifying the impacts of the various interventions as consistent with the scope of work.

C1. Training

C1a. UCUDAL

The support for faculty training at the Catholic University of Uruguay may turn out to provide USAID's most significant legacy. Twenty one faculty members of the business school completed the MBA with grant support from the Mission, leaving in place a cadre of well-trained faculty capable of educating a succeeding generation in business concepts and practices, and providing seminars and other continuing education initiatives for managers and entrepreneurs.. This is a first for Uruguay, which had only one (public) university in the country until UCUDAL was founded in 1985.

The project was very creative and cost-effective in its approach. Rather than sending a very few professors to the United States for advanced training, the intervention was designed to bring professors from Catholic institutions of higher education in the United States to Montevideo. As an exercise in virtually in-service training, 17 of the participants⁴ were able to continue their teaching and other responsibilities uninterrupted, while pursuing the advanced degree. Not only were these faculty able to acquire an MBA and new knowledge in their respective disciplines, they also were exposed to more modern and effective teaching methods. Visits to classrooms, for example, indicated interactive teaching, involving students int^{er}actively in discussions. This was a significant departure from the traditional rote teaching common to Latin American education.

Another benefit of the project has been to help UCUDAL establish permanent linkages with other institutions of higher education in the United States for personnel exchanges and opportunities for research and dialogue with colleagues. As the national university lacks a business school, the project has laid the groundwork to make a substantial contribution to the strengthening of the private sector. And while it should be pointed out that another degree-granting institution (ORT) is accredited in the United States, it cannot accommodate anywhere near the demand for business education.

⁴ Of the remaining four professors, one received his degree in Chile and three graduated from St. Thomas University in Minnesota.

It is clear that UCUDAL plays a vital role in the preparation of young people to assume key roles in business and industry. The school has 350 students enrolled in the business school, 290 at the baccalaureate level, and 60 in the MBA program. Moreover, its close ties to the business community permit it to develop curricula that reflect the human resource needs of the private sector; that is, it is demand rather than supply driven. In this way, the impact of UCUDAL is much greater than otherwise would be the case.

C1b. DESEM

A complementary initiative to UCUDAL is the USAID-sponsored project with DESEM, the local Junior Achievement program. This, too, has been a successful effort, having worked with 3000 young people in introducing them to the world of business. Equally if not more important is that DESEM is teaching a new generation to accept risk in a country where the national business culture has been significantly risk averse.

Unlike the other projects supported under the PSDP, USAID actually helped create a new organization rather than fund an existing entity. The goal of the DESEM program is to develop entrepreneurial interest and begin to prepare youngsters in a practical way to participate in a market economy. Creating mini-corporations under the guidance of volunteer advisors from local businesses has been one of the more innovative and successful training methods used by DESEM, teaching students about business management and encouraging a new generation to accept risk. Practically all of the mini-corporations have been successful in marketing their products and services and, in so doing, have given the young students the challenging experience of creating value where none existed before.

In one case, a mini-corporation was so successful that it donated the equivalent of U.S. \$2,000 of its profits back to the DESEM program to be used as counterpart funds to the USAID resources. Another especially significant achievement of the program has been the broad participation of local companies. In 1994, 50 companies donated resources to the program. Some 75 provided volunteers or acted as "godmother" firms to provide assistance to the students. As a result, the program has not only trained many young students in business skills but also sensitized the Uruguayan business community to the importance of training future workers and managers to become more competitive.

C1c. FUCREA

The Federación Uruguaya de Centros Regionales de Experimentación Agropecuaria has had a positive impact on its members, at least as could be determined in personal interviews with several members and the size of attendance at the various workshops it hosted under the PSDP. FUCREA is a membership organization consisting mostly of small and medium farmers grouped into local Centers, and has a nationwide presence. Unlike other PSDP projects, FUCREA has focused on business development rather than production.

A review of the quarterly reports shows, with few exceptions, substantial participation in the various project workshops, forums, and seminars. Attendance was especially large at those sessions addressing global economic rather than narrow technical issues. This appears to be the result of at least two factors. First, the longer technical sessions required too much time for managers to be away from their farms. Second, virtually all the courses were held in Montevideo, requiring additional time and cost.

By contrast, the successes enjoyed by FUCREA seem to be attributable to a strategy of “creaming,” that is, focusing on the most productive Centers.⁵ Also, topics addressed were selected in consultation with “sector leaders,” helping to make the seminar and forum content relevant and timely. In the words of the FUCREA director, the project was a “phenomenal success.” That is, it was able to reach out to a large membership and introduce new concepts of competitiveness, making farmers aware of what competition means in terms of the need to improve productivity, quality, and strategic business planning. As one FUCREA member put it: “[The project has generated] positive changes. We think and speak differently with respect to the new global economic environment.”

The ultimate test, of course, will be in the specific steps taken by members to develop business internationally. But without initial awareness and attendant training—provided by FUCREA—application of the concepts becomes all the more difficult.

C1d. RTAC-II

The RTAC-II book program, begun in 1992, is a markedly different intervention than the other USAID PSDP projects. RTAC-II facilitates the availability of lower-priced textbooks for college and high school students through a central bulk book buying center in Mexico. Under agreement with the Mission, \$300,000 from the GOU and \$150,000 from USAID were transferred to a RTAC-II account for the purchase of university textbooks. USAID subsequently chose the Alianza Cultural Uruguay/Estados Unidos to manage the initiative and serve as the distribution center for the textbooks.

RTAC-II was originally started by USAID in Central America. There, as in Uruguay, the reception has been outstanding. In Uruguay, as a result of the initial success of the university textbook project, RTAC-II was expanded to include high school textbooks in 1993. Sales of textbooks have grown from 9,000 volumes in 1992 to 19,000 in 1993, 25,000 in 1994, and 40,000 projected for 1995. The initiative has won over the majority of the independent book shops in Uruguay who now take part in the program. Titles have increased from eight in the first year to 70 in 1995. RTAC-II is projected to be the largest supplier of high school and college texts in the country by the end of 1995. In addition, RTAC-II has promoted a more rigorous science curriculum in the schools, and its administrators report that they have been successful in introducing more modern science texts into Uruguayan classrooms.

Notwithstanding these kinds of successes, the Alianza is only now approaching break-even for 1995. However, it expects to be profitable for the first time by 1996. As a result of the initial contribution of USAID and the GOU, the project should continue to operate into the foreseeable future as a sustainable activity providing benefits to a new generation of Uruguayan students.

It is clear that this project has had an appreciable impact on improving the availability of lower cost textbooks to both public and private high school and college students in Uruguay. Unlike other countries where the RTAC-II operates, counterpart funds (even greater than USAID’s contribution) were made available by the Uruguayan government, evidence of the substantial support the initiative has in the country.

⁵ This is a strategy that has worked well elsewhere. For example, the USAID sponsored export promotion project in Bolivia, which has been demonstrably successful, sought to “cream” the companies with the best export potential rather than working with enterprises whose chances for success were minimal.

C1e. Cámara Nacional de Comercio

In 1994, in anticipation of countrywide elections, USAID provided \$54,000 to the Camara Nacional de Comercio to draft a comprehensive study on critical economic, social, and judiciary issues. The study was presented to the different presidential candidates, who were then asked to provide policy statements on these key issues to the private sector. The effort was especially successful in that it resulted in the development of a consensus among the various sectors comprising the business community, and provided the framework for codifying private sector views in one document, as well as providing the impetus for the creation of a unified private sector lobbying effort.

This project, along with CERES, represented the Mission's principal efforts to increase awareness of legal, regulatory, and judiciary issues that affect the private sector. Indeed, the document drafted with the support from the PSDP initiative, known as the Libro Azul, or "Blue Book," did not just represent the views of the National Chamber of Commerce but became the collective economic policy statement for the private sector at large. This was made possible by the fact that the Chamber, by consulting with most of the other major business associations in the country, was able to achieve agreement on leading issues and policy reforms needed to enhance competitiveness—although a firm consensus on all issues is still lacking.

In addition, this consensus building exercise had the unexpected result of creating an incipient private sector umbrella organization—the Consejo Superior Empresarial. While this organization still operates on an ad hoc basis, it has the potential of becoming one of the most important mechanisms for promoting a "more active participation by the private sector in the process of economic reform"—the key USAID strategic development objective for Uruguay.

The Chamber recognizes the importance the it has had in defining and advancing a common private sector economic agenda. Additionally, the organization, with USAID support, has consolidated the internal capabilities required to generate policy studies and position papers and organize public forums. More importantly, the Chamber plans to continue these activities in the future with or without donor assistance. It is to the credit of the Mission that with only a \$54,000 grant it has been able to generate the commitment of the Chamber and its associates to maintain (without additional grant support) policy promotion activities.

C2. Technical Assistance

In addition to training, PSDP funds were used to support NGOs that provided technical assistance to private companies to improve their competitiveness. The outcome generally has been positive, at least with respect to the results produced by the different grantees. Although some organizations (such as CAF and UCRE) have been less effective in providing services to their members, FUCREA and the IESC program appear to have been particularly successful in the provision of timely and generally appropriate technical assistance to members and selected firms.

C2a. UCRE

The Unión Creadores de Empresas serves small and medium size enterprises. Under the PSDP, UCRE has provided technical assistance to member companies, directly diagnosing obstacles to improved performance and competitiveness, and finding solutions to management and production problems. The association has a membership of 120 enterprises, offering them

networking capabilities to link with international agencies and providing training, technical assistance, and other opportunities to enhance company competitiveness.

UCRE was formed as a follow-on organization for graduates of EMPRETEC,⁶ an apparently highly successful UNDP initiated organization that is now largely self-financing. USAID contributed a \$20,000 "bridge" grant to EMPRETEC in 1993, until the organization could receive funds under an agreement with the Spanish government's international assistance agency. EMPRETEC takes managers from small and medium scale companies and for a fee provides them intensive management and entrepreneurial training. It is very selective, creaming⁷ those managers felt to be able to benefit most from the program and, therefore, make the greatest contribution to the economy. Of approximately 3500 applicants, it has served only some 400. Over 200 graduates from EMPRETEC now export their products. A smaller number has developed business partnerships with other firms.

With PSDP support, UCRE underwrote the costs of diagnostics for participating companies. These were conducted by an independent consulting firm. The firms then reviewed and critiqued their individual diagnoses. The final step was a more in-depth consultancy, providing customized technical assistance geared to increasing the competitiveness of the individual companies. For this final intervention costs were shared between the project and the companies themselves. In practice, the project was difficult to implement as UCRE lacked adequate executive staff and was forced to rely mostly on volunteers to help administer the initiative.

While the concept of the project was valid, only 38 out of a target number of 50 companies actually participated in the initial diagnostic phase of the project. Of the 38, 25 companies reviewed and critiqued the assessments. Ultimately, only 10 of the original 50 participating firms received the more in-depth technical assistance. Members and the leadership of the UCRE who were interviewed were open in their self-critique of the project. The consensus was that the initial diagnoses were too general and the available resources allotted might have been used more effectively in emphasizing customized technical assistance. This was especially true since participants had been through the EMPRETEC program. The shallowness of the UCRE diagnoses was made evident when juxtaposed against the in-depth, three-week examination of the companies under EMPRETEC.

Curiously, there was no explanation why these firms felt they needed to participate in the UCRE project after having completed the EMPRETEC experience, other than to acquire additional technical assistance and take advantage of yet another opportunity to improve productivity, profitability and competitiveness. Moreover, UCRE's leadership confirmed that inasmuch as most members were not entirely satisfied with the results of the initial assessment phase of the project, and as they would have been required to contribute \$200 to the cost of the second phase, they opted out of the initiative altogether after the first phase.

Another possible design flaw of this intervention was that the resources were too widely dispersed to achieve any significant impact on the competitiveness of individual beneficiary firms.

⁶ EMPRETEC was not included in the list of grantees in the evaluation. However, because of its prominence in promoting competitiveness, and because it was a recipient of USAID funds, it is important to cite its work and role.

⁷Once again, the importance of a "creaming" strategy is evident.

In the final analysis, it may have been advantageous that only 10 members received the more in-depth consultancy, as the funds budgeted for this activity was spread among 10 rather than 50 companies, making the technical assistance more intensive and effective. Through conversations with four of the ten beneficiaries, it was clear that only by way of this more concentrated intervention were they able to benefit from the project and improve their competitiveness.

C2b. CAF

Cooperativas Agrarias Federadas (CAF) is an umbrella group of primary and secondary agricultural cooperatives, consisting mostly of livestock and cereal producers and processors. Under the PSDP, support for CAF, which began in 1993, was provided to improve the management of the cooperatives and the competitiveness of their member enterprises, primarily through developing and strengthening strategic planning skills. As part of this effort, a Chilean consultant was contracted to lead workshops on institutional development for the member cooperatives. Funding was also provided to conduct studies and host seminars to promote awareness on issues related to competitiveness.

Implementation of the program was delayed, and the development of a methodology to execute the core competitiveness and strategic planning development components of the project eventually was reduced, largely due to the creation of a system of indicators to gauge productivity and competitiveness at the individual cooperative level. The system was recently tested on a pilot basis in two cooperatives and a one-day workshop was conducted on the results. However, the system has not yet been finalized and as a result it was not possible to assess its impact.

Interviews with the manager of one of the pilot cooperatives and the leadership of CAF revealed that due to the lack of this core component, CAF has not yet achieved the project's objectives. While part of the problem can be explained by implementation delays, the methodology itself is less than satisfactory. For example, in the section on productivity, indicators are incomplete, measuring labor productivity only in terms of sales. Similar problems are repeated in other sections, such as the use of only two variables (product and service groups) to measure competition.

While these omissions can be corrected easily, another set of issues was identified by the members of CAF themselves. Apparently, little attention was focused on strategic issues, a major objective of the project, including the mission, goals, objectives and priorities of the cooperatives (and member enterprises). Similarly, the economic and political environment in which the cooperatives and companies function was not examined, as part of a comprehensive strategic planning initiative. In fact, the strategic planning process itself is still not complete. As the CAF Director said, "se esta haciendo."

By contrast, the Director reported that there have been improvements in the management of both the CAF and many cooperatives themselves. Managers are more aware of the decision-making process and actually have put into place new procedures. For example, planning, while still inchoate, is more orderly (or actually exists) and budget decisions are made within the context of overall objectives. What is lacking is follow-up to consolidate those changes that have been made and reinforce incipient planning capabilities. The CAF director also indicated that the organization was able to provide technical assistance to selected cooperatives to improve grain storage systems and vertically integrate activities. In addition, he reported that improvements in

fruit cultivation were brought about as the result of the project, although the actual impact was "difficult to measure."

In the case of CAF, for example, the development of a system of indicators that could be used as a tool by the individual cooperatives, while on the surface a potentially valuable mechanism to assist them to increase their relative competitiveness, may not have been the most appropriate and effective intervention. While the member cooperatives of CAF do share similarities in their structures, activities, and products, they do not have the same levels of management strengths. As a result, the member coops have differing technical assistance requirements. A more effective approach would have been to offer a technical assistance project to diagnose specific management weaknesses and then provide customized technical assistance to individuals or groups of cooperatives who share similar problems.

C2c. IESC

The International Executive Service Corps (IESC) is a U.S.-based, non-profit organization that provides technical assistance to local private companies operating in developing countries around the world through the use of volunteer retired senior U.S. executives and managers. USAID/Uruguay provided partial funding for the IESC program since the organization reestablished its presence in the country in 1986. Since then, close to 120 Uruguayan companies have been served by IESC Volunteer Executives (VEs). These experts have spurred achievements in capital mobilization, technology transfer, joint venture initiatives, and procurement of U.S. equipment.

The latest initiative ran from October 1992 through April 1995. It focused on generating "leading cases" of firms to be used as exemplars to increase the awareness and pique the enthusiasm, of the Uruguayan private sector with respect to the importance of effective technology and high quality standards. As part the effort, the IESC was to have coordinated the design of the specific company interventions with the National Committee for Quality (CNC) and the Uruguayan Technology Laboratory (LATU), the two public agencies charged with expanding the awareness of quality and technology issues.

The project has been successful in providing short-term technical and management assistance to 10 out of an originally targeted group of 12 companies. There have been some coordination difficulties with CNC and LATU, and the synergies anticipated to be generated through these joint efforts have only recently begun to develop. However, a review of the self-evaluation forms filled out by both the VEs and firms receiving technical assistance, as well as interviews with selected companies and volunteer experts, indicated the project was successful in assisting a majority of the beneficiary enterprises. Moreover, as planned, through a recent series of conferences and workshops co-sponsored with LATU and the CNC, these successes were shared with a larger audience of business people.

One of the complaints that emerged in candid discussions with IESC's local management, which has surfaced both here and in other evaluations, is the variability of volunteer executive quality as well as their volunteer status. While some of the VEs have both superlative technical and communications skills, and have been extremely successful in providing assistance to firms throughout the world, others, not screened well enough by IESC's head office, are often not suited for their assignments. Some are ill-prepared to live in developing country environments. Others are incapable of functioning effectively in an alien culture, and still others do not have the required competence or skills.

In addition, the volunteer status of some of those that work at IESC/Stamford sometimes makes it difficult to maintain a rigorous and comprehensive quality control effort on a consistent basis. In the case of IESC Uruguay, however, these problems were infrequent and, for the most part, volunteer executives were effective in their assignments and produced measurable results. One company manager, for example, reported a 30 percent reduction in scrap as a consequence of the advice given by the volunteer executive. Another was so pleased with the assistance provided by the volunteer who helped the company regain lost market share that he has arranged to put the consultant on a permanent retainer.

C2d. ACDE

The Asociación Cristiana de Empresarios is a multi-purpose business association that offers its own training and consulting activities and is recognized as a major voice of the private sector. Under the PSDP, ACDE was responsible for the conduct of two major studies: (1) an analysis of factors affecting the competitiveness in international markets of Uruguayan companies and (2) a study to identify models of strategic partnerships that help entrepreneurs forge successful business relationships in the region. Workshops and seminars were also scheduled to disseminate and discuss the results of these studies.

Attendance at these workshops was not as large as initially expected, especially with respect to the business partnership study, even though FUCREA members also participated in the workshops addressing this issue. Interviews with a small number of participants in the seminars and workshops, discussions with ACDE's leadership, and a review of the studies themselves indicated that the ACDE initiatives contributed to PSDP objectives and were well received by the participants. In addition, the Equipos survey showed that 59.3 percent⁸ of the participants rated the workshops as "good" to "excellent."

An on-site interview with one CEO who participated revealed a great deal of enthusiasm for the project. More important, however, the CEO reported that as a direct result of the ACDE workshops, he initiated a successful effort to export 10 percent of his output and intends to expand further into the regional market. This is exactly the kind of impact envisioned by the Mission when it developed the PSDP.

It is important to note that during the course of the project ACDE established a national competition among business firms, presenting awards to selected companies that demonstrated increased competitiveness and innovation. This activity was developed on ACDE's own initiative and was not specifically included in the Mission's grant. This program, in concert with the Comité Nacional de Calidad Quality Award, was seen by the business community as having a positive impact, as local companies became more aware of competitiveness issues and made efforts to improve their capabilities and thus be able to participate in the award program. Moreover, it is a reflection of the timeliness and appropriateness of the PSDP initiatives.

C2e. AUECE

Although local affiliates of transnational companies took the lead, domestic companies also participated in creating the Asociación Uruguayas Empresas para la Calidad Total y la Excelencia, a purely private sector association of businesses and entrepreneurs eager to promote greater

⁸ N=34

quality products and services to compete more aggressively in increasingly open markets. This is a reflection of the private sector's acknowledgment of the need to sharpen productive and managerial practices to be able compete more effectively in regional and overseas markets.

AUECE is not a USAID grantee, but its establishment is an important example of how PSDP initiatives have helped to shape the current business environment through promotion of greater awareness of the need to improve competitiveness. Conversations with the AUECE leadership indicated the impact various Mission sponsored initiatives have had on the need for business to improve quality and productivity.

C3. Interest Aggregation and Articulation

C3a. Consejo Superior Empresarial

The organized private sector in Uruguay does not have much of a tradition of lobbying as a unified bloc.⁹ Unlike virtually every other Latin American nation, there does not exist a permanent umbrella private sector association to aggregate and articulate the interests of the business community with a single voice. Instead, major business concerns are grouped into associations which represent only narrow sectoral interests, such as the Asociación Rural, the Cámara de la Construcción, the Cámara de Industrias, and the Cámara de Comercio.

The Cámara de Comercio, however, has been instrumental in helping to form the Consejo Superior Empresarial,¹⁰ the ad hoc umbrella organization that produced the Blue Book for the past two presidential elections. The Blue Books represent the first time the private sector has presented a comprehensive agenda to the government, outlining its positions on major economic policy issues. The first Blue Book was submitted to President Lacalle after his election to office in 1990. Improving in its political sophistication, in the next election the Consejo presented the second Blue Book to the presidential candidates, pushing them to respond to the issues outlined in the document and take a stand before the vote.

While the Blue Books represent unprecedented private sector unity, they also reveal, inter alia, tensions within the private sector with respect to economic liberalization. The industrial and agrarian sectors, at least as represented respectively by the Cámara de Industrias and the Federación Rural, are reluctant to entirely abandon protectionist policies, while other members by and large acknowledge the need to open up markets and compete in the regional and world economies. The Blue Book of 1994, for example, hedges on international trade policy, speaking in generalities and not making firm commitments to open markets.

This rhetorical vacillation doubtless reflects the compromises required to arrive at a unified public position. It is a tradeoff which, although not ideal (at least not for free traders), is a movement forward and an implicit acknowledgment of the need to improve competitiveness as Uruguay is drawn into the MERCOSUR and world markets. As one free trade member of the Chamber of Commerce put it, "We have not changed our attitude; we are just the fashion now." Needless to say, producers of local products facing competition from outside are not as

⁹ This is not to say there is no effective lobbying. However, most lobbying is conducted by sectoral interests rather than by the private sector acting as single, aggregate force.

¹⁰ The Consejo Superior is comprised of the Cámaras de Comercio, Industrias, Construcción and Mercantil de Productos del País, the Asociación Rural, the Federación Rural, and the Asociación de Bancos.

enthusiastic, but appear to have arrived, reluctantly as it might be, to the conclusion that free trade and competitiveness are inevitable facts of economic life.

The existence of the Consejo and the work it has done are another indication of the impact of USAID's efforts to change attitudes, as well as recognition of a changed world economy.

C3b. CERES

The Centro de Estudios de la Realidad Económica y Social is a private sector think tank and research organization. Among other things, it has worked closely with the Consejo Superior, providing research for the Blue Books. CERES offers an essential set of services to the private sector. Through its studies it is able to furnish the empirical base on which the private sector can construct policy initiatives and review GOU proposals that affect the business community.

USAID recognized the utility and role of CERES in developing greater awareness of competitiveness issues and provided the organization with a grant to produce a series of studies and "legislative analyses" to assist the private sector in participating in the policy making process. In addition, CERES held a series of workshops to disseminate the results of its analyses and encourage greater and more active private sector participation in policy and regulatory reform. CERES also used existing institutions and the press to gain even wider public coverage of the results of its research and positions on key LRJ issues.

CERES's role in helping to aggregate and articulate the interests of the private sector is critical. The capacity of the business community to conduct quality research to draft policy proposals and react to GOU initiatives in a systematic and professional way strengthens its arguments and elevates the level of the debate. This kind of capacity is also important to the credibility of the private sector and its consequent ability to reach out for public support.

The impact of CERES's work under the project cannot be fully evaluated at this time. It has not published and disseminated the majority of its studies, and not enough time has passed to permit full measurement of the influence the studies may have had on legislative and other policy initiatives. Part of the problem is: (1) the political campaigning in the last year of the previous administration effectively brought to a halt legislative initiatives and (2) the first year of the new government is in its infancy, making it too early to determine what if any role CERES has played in bringing about economic policy reforms.

Nevertheless, according to the quarterly reports¹¹ submitted to the Mission by CERES, the efforts of the institution are having some impact on policy making. That is, professional and business associations, including the Association of Bank Employees, the Chamber of Industry and the Rural Federation, among many others, have been using materials produced by CERES under the PSDP to discuss policy concerns and formulate positions. Even one of the vice presidential candidates in the last election used information and concepts from studies prepared by CERES. There seems little question but that CERES is distributing the findings of its research widely, that the material has helped to foster a growing awareness of competitiveness issues, and that data and analyses generated by CERES are actually being used to formulate policy positions.

¹¹ See quarterly reports of June 2, August 15, and October 31, 1994.

In addition to seminal studies on internal debt forgiveness, labor law flexibility and bankruptcy law, and the work done to promote greater sub-contracting, the Blue Books offer further evidence of CERES's impact on policy. Publication of the second Sanguinetti administration's economic platform is clearly consistent with many of the positions advocated by the Consejo Superior and CERES, although how much of this is serendipitous and how much can be attributed to CERES remains unclear. What is certain, however, is that CERES is addressing issues that are current and critical, and whose positions are shared by the GOU, such as the recent GOU decree expanding the use of subcontracting. CERES's activities are serving to support the government's directions at economic modernization and reform. In addition, the workshops and other efforts at disseminating the findings of their various studies have helped increase awareness of the need for increased competitiveness among the Uruguayan private sector, based on empirical evidence.

C3c. Cámara de Comercio Uruguay-Estados Unidos de América (AMCHAM)

The Cámara de Comercio Uruguay - Estados Unidos de America (AMCHAM) office in Montevideo is surprisingly active and dynamic for a country that does not have traditional ties with the United States. AMCHAM is well supported by a large membership and has been active in fostering closer commercial ties between Uruguay and the United States. The seminar and workshop project that USAID established with AMCHAM was in response to a perceived need to sensitize key decision makers and opinion leaders in the private and public sectors to the significance of legal and regulatory reforms. While organizations such as CERES and PLADES were already working to promote and implement these reforms, a belief persisted that key policy actors still needed to be made aware of the pressing need for specific reforms.

This situation spurred the Mission to establish a project with AMCHAM to increase public awareness of the legal reforms required to improve the business environment, as well as to highlight the importance of strengthening the competitiveness of Uruguayan business in open international markets. Initially, AMCHAM also carried out a survey to identify private sector executives and institutions willing to participate in public policy advocacy activities. As AMCHAM was already conducting monthly meetings for its members on economic reform and business development issues, this initiative dovetailed with the chamber's own objectives.

The methodology selected by USAID/Uruguay and AMCHAM focused on heightening the awareness of decision makers through a series of seminars and workshops on LRJ issues, including protection of private ownership, intellectual property rights, labor relations, privatization, free and fair trade, etc. Through interviews with public and private sector participants in these seminars and workshops, as well as extrapolation from the Equipos Consultores surveys, it was found that these interventions produced a modest impact in an effort to expand knowledge of competitiveness issues. Only 44 percent of AMCHAM project participants reported acquiring new information on competitiveness issues compared to 60 percent of participants in all PSDP awareness events (see Table 1). By contrast, a relatively small 17 percent reported getting no benefit from the project. (Unfortunately, the data were not desegregated by event, so that it was not possible to identify perceptions of specific workshops.)

The successes that AMCHAM did enjoy were due in part to the association's skill at providing strong follow-up and distributing copies of the seminar proceedings. More important is the unanticipated benefit to AMCHAM, which believes that implementation of the project was instrumental in helping the organization develop its own capacity to manage these types of

activities. In fact, they have continued to do so without USAID support. This is perhaps the most significant—though unplanned—outcome of the Mission's assistance.

A survey component of the project was never carried out. The \$21,000 budgeted for this activity was reprogrammed for AMCHAM to provide support to the IESC fast track initiative that is being evaluated in a separate report. It is difficult to establish direct causality between the AMCHAM program and the enactment of specific reforms. But the project represents one more initiative by the Mission to work with several groups, seeking to leverage and expand the impact of its relatively modest resources.

C4. Public Sector Participation

The PSDP focused primarily on private sector institutions and companies. However, the project also supported two relatively small but important public sector initiatives.

Public education has been not only a responsibility of the private sector, but also the government, which has been involved in raising national awareness of competitiveness issues through the two public agencies most directly involved with productivity, quality, and competitiveness: the National Commission on Quality and the National Technology Laboratory.

C4a. Comité Nacional de Calidad

The Comité Nacional de Calidad was established with Uruguay's entry into MERCOSUR. It was a recognition on the part of the GOU of the need for the private sector (and state-owned enterprises) to improve quality and thereby enhance competitiveness in open markets. In a country that has a long and strong tradition of protectionism, it became obvious that a campaign to increase public awareness of the need for competitiveness was essential.

The CNC emphasizes competitiveness through increased quality and productivity, along with improvements in management. The pressure of foreign competitors in an increasingly open market is forcing Uruguayan businesses to improve the quality of their products and services for both the international and domestic markets. For example, according to the chairman of the CNC board of directors, the country's largest producer of yogurt, faced with superiorly packaged foreign products, significantly upgraded its packaging and has been able to maintain its market share. More important, after a large company received a CNC quality award, its suppliers began to ask for technical assistance to improve their products as well, thus producing what the CEO called "a ripple effect," expanding the impact of the Comité. An interesting twist to the CNC is its role as consumer protector. Consumers can sue producers for faulty products. This authority acts as a control—to some degree—on quality and, by implication, competitiveness. The clear impression is that the CNC is indeed fostering and maintaining awareness of competitiveness issues through its various activities, especially the national quality awards. Not only that, but as a result of PSDP activities, the business community successfully pushed for a larger and more integrated role on the CNC Board of Directors in a symbiotic linkage of the two sectors.

C4b. LATU

The Laboratorio Tecnológico del Uruguay is the counterpart agency to the U.S. National Institute of Standards and Technology. It is a key institution assisting the private sector to develop and maintain international standards of quality to compete effectively in foreign markets.

It also provides assistance to enterprises seeking to enhance productivity. Under the PSDP, USAID funded exchange activities between LATU and NIST, including training. Among other things, the purpose was to strengthen LATU's scientific capacity to determine and measure the quality of Uruguayan products. In addition, some equipment was also provided.

While it was impossible to establish any direct linkages between the project and increased competitiveness of Uruguayan industry, it was possible to determine related impacts. First, LATU itself believed the intervention was well worth the effort and improved its ability to calibrate and measure product materials. Second, the collegial contacts established between the two agencies will be of enduring assistance to LATU in helping it to stay informed of state-of-the-art changes in relevant technologies. Third, interviews with members of the private sector revealed praise for LATU and its willingness to work closely with business.

As quality is such an essential part of competitiveness, it was appropriate and logical for the Mission to support LATU. Without the kinds of services provided by the agency, it would be difficult if not impossible for Uruguayan manufacturers to test the competitiveness of their products to maintain a competitive advantage. Indeed, a senior LATU official indicated that the USAID grant was particularly timely in light of the "strong external market pressures" confronting Uruguayan business.

SECTION VI

CONCLUSIONS AND LESSONS LEARNED

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A. General Conclusions

To avoid excessive repetition, specific conclusions will be woven into the presentation of the lessons learned. In general terms, however, it is clear the PSDP has had a positive impact in terms of the project's goal and purpose: that is, it has been able to promote widespread awareness of competitiveness issues and the need for business and government to take concrete steps to improve quality, productivity, management, and other factors to make Uruguayan goods and services more competitive in world markets. The analysis has examined several training and technical assistance activities that have produced a positive impact, in the private sector in general and at the enterprise level in particular.

The UCUDAL and DESEM projects have been particularly effective in developing a trained human resource base required by the private sector and promoting the kinds of values and skills needed to strengthen the business community's ability to compete internationally. IESC has produced significant results at the company level through technical assistance interventions. UCRE too has provided effective technical assistance directly to enterprises, albeit more serendipitous than planned, and so has FUCREA. And CERES has been shown to have been a critical asset in generating the data and analyses required for credible policy advocacy.

What the PSDP did not reach in numbers, it reached in importance. That is, the projects strategically targeted key sectors:

- Through DESEM, the PSDP is helping to form a new generation of business people, imparting cultural values necessary for the development of a strong and competitive entrepreneurial class.
- Through UCUDAL, the PSDP has been able to create a cadre of trained teachers able to transmit the knowledge and skills required in a modern and open economy, among other things continuing the formative process begun in high school with DESEM.
- The PSDP has provided technical assistance (and by implication awareness training) to several companies through IESC, FUCREA, UCRE, and even CAF. Not only have entrepreneurs in the productive sectors learned about the need for improved competitiveness, they have been provided the technical assistance to make their companies more productive and profitable.
- At the policy level, CERES and the Consejo Superior Empresarial have interacted and continue to push for economic reforms with the government. CERES in particular publishes studies and articles, keeping issues of competitiveness before the public eye. Although the Blue Books do represent an important step forward in private sector advocacy for policy reform, much more needs to be done. Fortunately the new government appears to be pursuing the same kinds of economic reforms advocated by the previous GOU. This, needless to say, represents an opportunity for the business community to help shape the debate and influence policy changes. But to do that more

effectively, it may want to consider formalizing its present ad hoc organizational arrangement of the Consejo Superior.

While USAID has decided to discontinue any direct presence in Uruguay and other mid-level income countries, a strong case could be made for continued assistance carefully targeted to advance specific policy goals in these nations. In the case of Uruguay, with limited funds the USAID program has been particularly effective in demonstrating the importance of competitiveness issues and contributing to building a stronger private sector. If USAID continued to support small but focused assistance to Uruguay and other countries in similar stages of development, the United States would create the opportunity to realize dividends, in terms of increased trade and investment flows and substantially higher than the net cost of the development assistance, as many of these countries are eventually brought up to OECD income levels.

B. Lessons Learned

Several significant lessons emerged from the PSDP experience in Uruguay, virtually all of which could be considered for use in the design and management of similar project interventions elsewhere.

- The decision to fund several small projects instead of one large intervention proved to be an effective approach. It permitted the PSDP to reach a broader spectrum of the private and public sectors than otherwise would have been the case. As the focus was on developing awareness of competitiveness issues, it was important to reach as large an audience as possible. In cost-benefit terms, too, this approach proved to have been a judicious and effective use of limited resources. That is, by focusing sharply on one key issue—competitiveness—the Mission was able to maximize its impact and make a measurable contribution to Uruguayan economic development. The lesson is that it is crucial to make project design and implementation decisions on a case-by-case basis, depending on local conditions. In Latin America most private sector development projects have concentrated on one or a very few institutions through which to channel resources, focusing on institutional strengthening rather than broader goals. While this may be an effective approach in some cases, it should not be applied unquestioned across-the-board.
- The fact that USAID/Uruguay basically gave a good deal of discretion—within clear general guidelines and specifically defined objectives—to grantees to shape their own programs helped to create these successes. Instead of following a cookie cutter approach and not taking risks, the Mission correctly let each project develop its own strategy. The Mission had enough confidence to work with the individual grantees and not impose uniform “models” that might be easier to manage, but less likely to work. The lesson is that few if any results are produced without the willingness to incur “failures” and take on risk.
- Unfortunately, the Mission will not be in place to support subsequent activities to consolidate the gains made under the PSDP. Ideally, a second stage would be the time to help strengthen key institutions to permit continued focus on competitiveness, providing technical assistance and other services to individual enterprises. This would also help improve private sector advocacy of LRJ reforms. Even in the absence of funds for these kinds of activities, the Mission was able to generate enough enthusiasm and underwrite enough technology and knowledge transfer to leave a permanent capacity,

particularly thorough its projects with DESEM, UCUDAL, CERES, and IESC to continue to improve conditions leading to enhanced competitiveness.

- This is especially the case with respect to human resource development. This is the most important PSDP legacy and cannot be overestimated, and represents a critical lesson learned. Both UCUDAL and DESEM appear to have had the greatest impact of all the interventions, at least in terms of any lasting effect. The fact that UCUDAL now has a U.S. trained cadre of professors in its business school, with permanent contacts with colleagues in the U.S., will permit it to provide the educational base in preparing young people for careers in business. It also allows the university to maintain what amounts to a team of professionals able to provide consulting and training services to entrepreneurs, and serve as a center for information and state-of-the-art knowledge on business practices
- DESEM too has played a key role in developing a human resource base for the private sector. It has introduced adolescents to the concepts and practices of business in an imaginative and effective way. With the availability of enhanced UCUDAL and ORT post secondary facilities, young people have now a greater opportunity than ever to pass onto the next stage of developing business skills. The inescapable lesson of both the UCUDAL and DESEM projects is that leaving behind a trained and skilled human resource base represents the kind of permanence required for effective growth and development.
- The practice of “creaming”—that is, working with those organizations that have the best chance for achieving success—by FUCREA has yielded positive results. It is essential that projects such as FUCREA look to those organizations and enterprises that stand the greatest chance for success. First, the “cream” will stand the best chance of producing successful project outcomes—i.e., the desired results—both in terms of the competitiveness of the individual company and the cumulative impact on the larger economy (jobs, income, etc.). Second, these successes can act as a motivation for the second and third tier businesses to seek to improve their performance.
- In the case of UCRE it is instructive to note that technical assistance (in contrast to training) was successful because of the intensity of the interventions, however unplanned they may have been. Although the project called for providing technical assistance to 50 members, only 10 actually requested assistance. This allowed a greater concentration of resources per intervention, maximizing successful outcomes. The lesson is that it is more effective to strengthen a few companies well than to provide mediocre or limited interventions to many. In other words, quality is more important than quantity.
- While the appropriate policy mix is important for sustained gains in competitiveness, it is nevertheless possible to work effectively at the individual and company level to improve skills, quality, productivity, management, and profitability. Although not intended as such, the PSDP in effect was able to produce measurable results through its training and technical assistance interventions, which it was not able to match at the policy level. The lesson is that support activities are needed at both levels, even if they do not proceed at the same velocity. It would be counterproductive to wait for policy advances without taking action at the company level. First, policy making tends to be much slower. Second, even if the adequate policy framework is not in place, companies and individuals can still improve their performance.

- Efforts at influencing policy (LRJ) produced minimal results for two reasons. First, relatively few resources were provided for these activities. Second, without a strong private sector umbrella organization, it is generally difficult to interact effectively with the government, at least in terms of representation of a unified private sector. By contrast, CERES was able to produce quality research (although the full impact of its efforts has yet to be determined). Here it is important to keep in mind that without sound empirical analysis, it is difficult to make cogent arguments for specific policy positions.
- The Mission intentionally did not focus on mobilizing public opinion behind economic reforms to enhance competitiveness. While public opinion can be a powerful incentive for policy reform, USAID correctly chose to direct its modest resources at support for the private sector through awareness, training, and technical assistance interventions. The lesson here is that it is better to concentrate resources on fewer objectives than to spread them too thinly in an attempt to cover too much. And indeed, the funds the Mission targeted on training, and to a lesser degree technical assistance, produced measurable and favorable impacts.
- It would have been helpful if the Mission had insisted on final, cumulative reports from grantees instead of accepting only a compilation of quarterly reports. The failure of the local consultant, contracted to monitor the project, to design and implement an effective methodology impoverished the monitoring process. Two lessons can be drawn from this experience. First, it is important to have final reports as a tool to help measure both impact and performance. Second, where the Mission lacks the technical knowledge to evaluate methodologies for monitoring projects and conducting surveys, it should contract a U.S. expert for assistance.

As a final comment it is important to underscore once again the impact of UCUDAL and DESEM, especially the former. Leaving in place the qualified human resource base, with collegial contacts and networks in the United States, will be the most enduring legacy of the PSDP. This is the most important lesson of all.

ANNEX A

SELECTED RESPONDENTS

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NONGOVERNMENTAL ORGANIZATIONS

Sr. Julio Aguiar Carrasco, Cámara de Representantes del Uruguay
Lic. Gabriel Andrade, UCUDAL
Sr. Victor Angenscheidt, Cámara Nacional de Comercio
Prof. José Ares, UCUDAL
Sr. Simon Berkowitz, Cámara Mercantil de Productos del País
Ec. Horacio Bafico, Cámara de Industrias
Sr. Ambrosio Bertolotti, Cámara Nacional de Comercio
Lic. Ma. Dolores Benavente de Lorenzo, Cámara Nacional de Comercio
Juan Carlos Deicas, ACDE
Ing. Hugo Donner, NEOSUL, S.A.
Sr. Nelson Elola, UCRE
Sr. Ricardo Escardó, IESC
Sr. Eduardo Fernandez, Asociación de Bancarios del Uruguay
Ing. Agr. Heber Freiria, CAF
Sr. Francisco Gamia, FUCREA
Ing. Agr. Gaston Rico, CAF
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Sr. Aldo Scattolini, CAF
Sr. Pablo Scremini, CAF
Sr. Ricardo Shaw, FUCREA
Sr. Eduardo Tarrago, EMPRETEC
Dr. Alfonso Varela, Cámara Nacional de Comercio
Sr. Adebaldó Yannuzzi, Uruguayana-American Chamber of Commerce

GOVERNMENT

Sr. Elias Bluth, Secretario de la Presidencia de la República
Cr. Conrado Hughes, Ministerio de Economía y Finanzas
Ing. Ruperto Long, Comité Nacional de Calidad
Cr. Juan Moreira Roggero, Ministerio de Economía y Finanzas
Sr. Luis Mussio, LATU
Dra. Graciela Ruocco, Comité Nacional de Calidad
Lic. Laura Palma de Saez, PLADES
Sr. Alberto Schiavone, Comité Nacional de Calidad

PRIVATE SECTOR

Sr. Aristimuño, Sudamex, S.A.
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Ing. Luis Biscailuz, Laboratorios Servimedica, S.A.
Ing. Omar Braga, SACEEM
Ing. Julio Bruno, CINTER Ltda.
Cr. Ricardo Brunstein, Pfizer Corp.
Ing. Julio Bruno, CINTER
Ing. Caló, PAMER, S.A.
Sr. Ramon Diaz, Geyer & Regules
Sr. Nelson Martella, Uruglass
Sr. Rodolfo Oppenheimer, McDonald's Uruguay
Sr. Daniel Pisano, Viñedos y Bodegas Pisani
Sr. Luis Retta, Librería Retta
Ec. Francisco Rodríguez, Research International Uruguay
Sr. José Enrique Sierna, Sierna & Albano
Ing. Jorge Soler, Alcan Aluminio del Uruguay, S.A.
Sr. Mario Uría, Strauch y Cía.
Sr. Daniel Varese, Citibank
Sr. Horacio Vilaró, Banco de Boston

OTHER

Cr. Arturo Alterwain, Contador Público
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