

**SUMMARY OF ANALYSIS OF AID SUPPORT
FOR THE US TELECOMMUNICATIONS TRAINING INSTITUTE (USTTI)¹**

This report summarizes a November/December 1987 consultancy that addressed issues related to the USTTI, and its support from the Agency for International Development (AID), and the possible replication of the USTTI model. This is a supplement to *Analysis of USAID Support for the US Telecommunications Training Institute* (1987) by William A. Delphos and Donald Foster. This report does not replace that report nor the report of the June 1987 evaluation of the USTTI activities.

This summary has five sections. Section 1 addresses the future organizational directions of the USTTI. Section 2 concerns the feasibility of replicating the USTTI model and why this might be desirable. Section 3 identifies key replicability features for the model in a given industry. This is of particular interest because it provides information on ways to replicate the model. Section 4 identifies those organizations which participated in discussions of the replicability factors and proposes how their involvement might continue. Section 5 suggests next steps that should be taken.

1. FUTURE OF THE USTTI

The USTTI is an excellent example of collaboration between the public and private sectors where training is used as a mechanism for simultaneously addressing humanitarian, political, and commercial objectives. There is evidence to suggest that it could expand significantly. It is not known whether this is feasible or desirable because the USTTI currently lacks appropriate capabilities analyzing needs and training capacity for long-term planning, or for identifying additional funding sources. One reason the USTTI lacks long-term planning capability is that it has no long-term and stable financing. There is not a suitable financial base for the USTTI in AID because the substantive work of the Institute does not match AID's current programmatic structure. Although industry contributes substantially to USTTI activities, no single industry has been identified as a suitable location for

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the USTTI. It is not entirely clear why this is the case. The USTTI needs some US Government involvement and support for more than financial reasons. Association with the US Government gives greater credibility to the USTTI activities, provides excellent opportunities for nation-to-nation interactions, and supports trainees from countries that cannot afford the costs.

Long-term planning for the USTTI's activities has partly been hampered because AID has not been able to guarantee the amount of support the USTTI will receive until very late in the training year. Also, industry contributions are made annually--again restricting multi-year planning. The lack of sufficient and timely funding information means that the planning process for identifying training courses and trainees, especially those supported by AID, is often driven more by the budget and funding cycle than by actual training needs. It would be much more desirable if planning for the training activities could be based on an ongoing analysis of training needs and capacity within stable and predictable budget limits. This would also provide better opportunities for AID to contribute more effectively to the identification of the kinds of training that are more immediately relevant to its program goals and to explore intersections of interests between the USTTI and administrative units within AID and other US Government agencies not currently contributing to the USTTI program.

The existing means the USTTI uses for data collection do not provide information useful for AID to determine an appropriate level of support to the Institute. The USTTI is so pressed to identify sources of financial support for its immediate activities that it is not able to fund or conduct improved data collection or develop long-term plans.

These circumstances, however, should be viewed as constraining rather than negative. The USTTI has an established and accepted program that works well, is relatively low cost, is achieving all three of its general objectives, and is well received by the public and private sector participants in the US and highly valued by its trainees. It is a well-managed training institute and should be fully institutionalized. This will require placing it on a more reliable financial foundation immediately so its staff can develop the necessary long-term training plans. Section 5 of this report describes some ways this might be done.

2. REPLICABILITY OF THE USTTI MODEL

The USTTI has demonstrated clearly over its five-year history that a public and private sector partnership can be advantageous to both sectors while also contributing significantly to human resource development in third world countries. The USTTI has demonstrated that its training approach can achieve humanitarian, political, and trade goals concurrently without the trainees being manipulated for the purpose of promoting US products. The training programs are in great demand from developing country telecommunications professionals and provide participating companies with information from, and contacts in, a wide range of countries that might be very expensive or impossible to obtain through normal market surveys and activities. The model also uses existing staff and facilities, obviating the need to establish expensive training laboratories overseas to serve small training groups and that might soon be out of date. Furthermore, use of existing training in the industry means that development costs for most of the courses have already been borne by the private sector to train its own employees. This is an inherently cost-effective model.

The USTTI has developed a workable model using training as its *raison d'etre*. The model is practical and relatively low cost. It also focuses on inservice training, which means that the trainees are virtually certain to return to their employment site immediately and apply what they have learned. This model could be replicated for any industry where there is an intersection of public and private sectors needs in the US and training needs in developing countries. Section 3 identifies the salient features necessary for replication of this model.

3. SALIENT FEATURES FOR REPLICATING THE USTTI MODEL

This section lists the important features for replicating the model proven effective by the USTTI. They are presented as suggestions for ways to replicate the model in another US industry. In this regard they provide a preliminary checklist for identifying whether developing country trainees, a particular industry, and the US Government are likely to benefit from organizing training opportunities by adapting the USTTI model. All of these features are probably not essential for success--in fact, in some industries several might be unnecessary, and there may be other features which should be considered that have not yet been identified. The salient features identified by this study are provided below.

- *The US should be regarded as a leader in the industry.* If the US has a technological edge in a particular area that is, of course, a favorable aspect. The technology must be appropriate for developing countries, in its present state or as adapted, and there must be visible ways to foster application of the technology and for supporting it. Examples of support would include access to new information and equipment as it becomes available, equipment maintenance, and training.

- *There must be a sufficiently high demand for the training.* Without this demand there would be insufficient US training capacity and too little demand from the developing countries. This demand should exist in a large number of countries so that generalized and varied objectives can be achieved. This demand must include sufficient numbers of potential trainees to make the preparation of training plans cost-effective. Moreover, the trainee population must be adequately qualified, in terms of their entry-level skills, to benefit from the training opportunities.

- *There must be sufficient high quality US capacity training capacity in appropriate areas.* Former USTTI trainees indicate that an attractive feature of their training is that they participated in exactly the same kind of training as their US counterparts. The availability of this kind of training is important for ease of marketing as well as political reasons--trainees know they are acquiring the same skills and knowledge as those who are on the leading edge of the field. Furthermore, available training is critical for the cost-effectiveness of the USTTI model.

- *There must be industry interest in participation and company interest in collaboration.* Companies in a given industry must recognize sufficient market potential in the training activities for them to make significant investments of time, funds, and in-kind activities. The potential for initial and continuing business, once a decision is made in a developing country, is especially important. Market penetration in a significant new and large market is an important factor.

- *There should be potential spin-off private sector activities in developing countries.* Many trainees from developing countries are from the public sector. This is to be expected, but it is not unreasonable to anticipate the long-run development of spin-off private sector activities to support the public sector in

these countries. Current trends indicate that this is happening and is desirable for the developing country as well as the US.

- *The industry should utilize standards.* These standards need not be regulated internationally. They will enhance performance and influence equipment purchases and training decisions. Industry standards mean that early training decisions can have significant long-term impact. It is in the social and economic interests of the US public and private sectors to have decisionmakers from developing countries become aware of the rationale behind standards selected by the US and to know what technology is available to develop and maintain the quality of these standards.

- *The industry should be financially significant.* The returns on decisions and networks that occur as a result of short-term training in the US are by nature long term. Only industries which are sufficiently large and established to be able to make long-term investments are likely to benefit from the advantages of the USTTI model.

- *Industries selected for replication of the USTTI model, if possible, should have the potential for enhancing US national security interests.* This makes it particularly attractive for US Government support.

- *The public and private sectors should be committed to jointly preparing a long-term plan for financing and operating the training program.* The training program can be put to its best use for government and private agencies if there is sufficient planning time to recruit, place, and follow-up the trainees. This cannot be done without appropriate financing.

- *The industry should have global public policy concerns.* It is in this kind of industry where an intersection of developing country, US public, and US private interests is most likely to occur. Examples are given at the end of this section.

- *The industry should have a continually expanding market.* The USTTI

approach takes a long-term view. It would be foolish to use this approach in an industry with a short-term market.

Several industries or sectors were identified during this study in terms of their ability to meet these criteria. Among those identified as having significant potential for replication of the USTTI model were the following:

- port management
- pharmaceuticals
- modular housing
- medical equipment ..
- biotechnology
- food processing
- electronics
- environmental pollution control
- computers
- pesticides
- heavy equipment (electrical, earth-moving, agricultural, etc.)
- banking
- chemicals
- forestry
- plastics

4. ORGANIZATIONS WITH POTENTIAL INTEREST

One of the more significant outcomes of this study of the USTTI model was a workshop addressing the replicability of the model with representatives from government and industry. Over 30 individuals participated in the one-day workshop. A list of the attendees with their organizational affiliations is contained in Annex

1. They represented the following:

- AID
- Department of State
- International Development Coordinating Agency
- Department of Commerce
- USTTI

- United States Trade Representative

- Federal Communications Commission
- Voice of America
- Department of Agriculture
- Export-Import Bank
- Motorola Corporation
- BellSouth Corporation
- National Food Processors Association
- American Electronics Association
- Institute for International Research

This workshop was important as a forum to address the problems facing the USTTI with regard to future funding and its continued expansion. It became clear that although the USTTI provides a valuable training service to developing countries and to AID, it is not necessarily presently located where it should be permanently housed. It was also evident that other units of government could make good use of the USTTI services at relatively low cost.

The workshop also provided an opportunity for industry representatives not familiar with the USTTI model to provide advice and guidance concerning its replicability. It stimulated discussions related to the potential for this kind of model to increase US trade opportunities. The discussions also provided opportunities for participants to better understand how, with a small amount of coordination, the mutual objectives of developing countries, their organizations, and the US Government could be enhanced. It was very encouraging to hear from leaders of the telecommunications industry what have been the advantages of this affiliation with the USTTI.

It is most important to recognize that the purpose of the workshop was not to complete discussion on the study. Rather, it was the next step toward developing a stronger USTTI institution and exploring the possibility of using the USTTI's experience to enhance the training, political, and trade goals of US industries, developing countries, and the US Government.

5. NEXT STEPS

This section is divided into two parts. The first addresses the USTTI and the second concerns the feasibility of replicating the USTTI model.

The USTTI

It was the general consensus that AID should continue to fund the USTTI at a guaranteed level for the next two years to allow USTTI to develop a more appropriate government base and to enable it to develop more effective planning, research, evaluation and financing mechanisms. Information on the amount of funding to be made available should be communicated to the USTTI as early as possible to enable USTTI staff to conduct their planning and training functions appropriately.

During this period the USTTI should develop and begin to implement a long-term business and institutional plan. The following components should be in the plan:

- Identification of a more appropriate "lodging agency" than AID's Bureau for Policy and Planning Coordination (PPC). This may very well be the Department of Commerce.
- Identification of other sources of support from US Government agencies such as the Trade Development Program and AID's Bureau for Private Enterprise.
- Development of a more rigorous mechanism to determine how much training should be offered, in what areas, and at what levels.
- Development of improved ways to document impact. It is recognized that quantitative measures might be very expensive to obtain, but good qualitative measures should at least be substituted for anecdotal information now available.
- Implementation of a procedure to determine whether the amounts of support requested from industry are appropriate.
- Implementation of a longer-term commitment of funds from industry than is currently requested. Perhaps funding for a period of two or three years would be more appropriate than the current annual support.
- Provision for enhanced staff stability that would result from more reliable funding.

It is recognized that the USTTI might require some assistance to develop this business and institutional development plan. The anticipated outcomes are that the organization will be appropriately related to both government and industry, will have a longer-term, broader-based and more stable financial future, and will have instituted more appropriate methods for planning, research, and measuring its impact.

Replicating the Model

It is the general consensus of all those closely involved in this consultancy and at the workshop that an attempt should be made to test the replicability the USTTI model. An industry that meets the key criteria listed above should be approached and a plan developed to replicate the model. To do this will require careful planning to eliminate some of the obstacles that have hampered the USTTI. Funds should be made available, from other agencies as well as AID, to replicate the model.

Replication of the model should include at least the following steps:

- identification of potential sources of funding
- determination of training needs and interest in the developing countries
- planning the replication process
- identification of an interested industry
- identification of public sector interest
- assistance to organizing industry
- establishment of a coordinating training institute
- development of an institutional plan for the new institute.

ANNEX 1

USTTI MEETING ATTENDEES

AID

Cliff Block
John Daly
Tony Gayoso
Frank Method
Tom O'Keefe
Birge Watkins
Warren Weinstein
Neil Zank

Private Sector

William Borman (Motorola)
David Markey (Bell South)
Jill Strachan (National Food Processors
Association)
Brian Wynne (American Electronics
Association)

IDCA

Jerry West
Lisa DeSoto

USTTI

Joseph Diederich
Michael Gardner
John Gwynn
Judith Sparrow
Anne Wilson

Department of State

Clark Norton

IIR

Commerce

Lew Cramer (T&D)
Jane Hurd (NTIA)
John Stiner (ETC)

Steve Anzalone
Bill Delphos
Donald Foster
Mike Laflin
Mary Pigozzi
Paul Spector

Other USG

Chuck Aaneson (USDA)
Marian Burrell (USTR)
Harry Heintzen (VOA)
Bob Kaiser (EXIM)
William Luther