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BUSINESS ADMINISTRATION SCHOLARSHIPS IN CENTRAL AMERICA  
THE NEED FOR A PROGRAM

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by

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## EXECUTIVE SUMMARY

A study, recently carried out in response to a request of the U.S. Senate Committee on Appropriations, has explored the feasibility of a program to provide scholarships to qualified Central American students for graduate study in Central America leading toward a graduate degree accredited or recognized by U.S. institutions. The findings are as follows:

### 1. Marketability of an MBA degree in Central America and the extent of demand for persons holding such degrees.

- o The MBA degree is valued and popular among private enterprises in Central America. It is seen increasingly by top level managers as a desirable credential for their employees to have.
- o The largest market is for individuals who are already employed. Most of the recently proliferating graduate business programs are aimed at the mid-level manager who works and attends classes part-time during evenings and on weekends.
- o Institutional accreditation, whether local or by a U.S. regional association, is of no significance to either employers or individuals seeking an MBA degree, which is a terminal professional degree. What is important is the reputation of the institution offering the MBA program.

### 2. Availability in Central America of a pool of persons who have completed undergraduate degrees and who are qualified and desirous of entering an MBA program but are constrained from doing so by lack of financial resources.

- o Only the small wealthy class in Central America can afford to send their children to the U.S. or Europe to obtain an MBA degree. With rising costs of U.S. education, this is becoming increasingly difficult.
- o Among those with middle or lower incomes, a large pool of persons with undergraduate de-

gress is qualified and desirous of entering MBA programs but many lack the resources to do so, or to remain in programs they have entered.

- o The Central American Institute of Business Administration (INCAE) loses about 50 entrants a year who have passed the rigorous entrance requirements but cannot afford the program.

3. The availability and quality of ongoing MBA programs in Central America leading toward a graduate degree from accredited U.S. institutions or a degree which would otherwise be recognized in the United States.

- o Eleven Central American institutions currently offer graduate degrees in business administration or its equivalent. There are at least two such institutions in each of the five Central American countries that formed the focus of this study: Costa Rica, El Salvador, Guatemala, Honduras, and Panama.
- o The only full-time, residential program and the only truly regional program is that of the Central American Institute of Business Administration (INCAE) in Costa Rica. The program is of high quality and recognized in the U.S. by Harvard and other universities of high standing. Its graduates are in great demand throughout the region. \_\_\_\_\_
- o The program generally regarded as second strongest in the region is the Master of Business Administration offered by the Francisco Marroquín University in Guatemala. It is a small evening program, but is rigorous and maintains high academic standards. It attracts almost exclusively students from Guatemala.
- o Two other programs should be ranked at the third level, but considerably below the first two. They are offered by the National University of San Diego in Costa Rica and Santa María la Antigua University in Panama. Individuals enrolled in these programs are almost all working students, primarily of mid-

dle-income backgrounds. They attract mainly students from the country in which each is situated.

- o Other programs, with one exception, are new and have yet to establish themselves in the marketplace.

### Recommendations

1. A broad scholarship program for MBA study should not now be created in Central America. Although there is a great demand, there are not sufficient quality, established programs which scholarship holders might attend and be sure that their degree would retain its value. There is danger of debasing the MBA degree by providing funds to attend less-than-quality programs.
2. The best and most cost-effective investment A.I.D. could make at this time is to enlarge the pool of properly trained business teachers in the region. With a limited supply of funds, selected teachers from reputable institutions could be sent to INCAE, to Francisco Marroquín University or to the United States to obtain MBA degrees highly re-cognized for their quality.
3. Given that ROCAP (U.S. AID Regional Office for Central American Programs) is planning to initiate a regional higher education project in FY 1990, it is recommended that the scholarship program for business teachers be incorporated under that project.
4. It is recommended that the heads of the key programs, that is, INCAE, Marroquín University, National University, and Santa María la Antigua University, be encouraged to get together for discussion of the possibility of forming a regional association to establish and maintain standards for graduate business education in Central America.

## INTRODUCTION

The U.S. Senate Committee on Appropriations in its December 4, 1987 report dealing with the foreign assistance program of the United States addressed the topic of a graduate scholarship program for Central America. Language on page 120 of the report reads as follows:

The Committee is aware that potential exists for graduate level training which would be conducted in Central America, and which may offer benefits to the United States in terms of the quality of the program and its costs. The Committee request that AID explore the feasibility of such a program where scholarships would be provided to qualified students in the countries of Central America with democratically elected governments to enable those students to pursue courses of study in Central America toward graduate degrees from accredited U.S. institutions or degrees which would otherwise be recognized in the United States. The Committee believes that this program would merit AID assistance of approximately \$1,500,000.

An appropriate study has been conducted which seeks to respond to the above referenced Congressional request. The report that follows is the outcome of that study.

### Objective

The objective was to explore the feasibility of a program whereby scholarships would be provided to qualified students of the Countries of Central America with democratically elected governments to enable those students to pursue courses of study in Central America toward graduate degrees from accredited U.S. institutions or degrees which would otherwise be recognized in the United States.

### Scope of the Study

The study was carried out over a five-week period beginning in late April, 1988, and focused on the demand for and supply of graduate study in Central America leading toward a Masters' degree in Business Administration, this being a popular and key field in which graduate programs were known to exist. The study examined the following:

1. The marketability of an MBA degree in Central America and the extent of demand for persons holding such degrees.

2. The availability in Central America of a pool of persons who have completed undergraduate degrees and who are qualified and desirous of entering an MBA program but who are constrained from doing so by lack of financial resources.

3. The availability and quality of ongoing MBA programs (or those of equivalent content and title in Spanish) in Central America leading toward a graduate degree from accredited U.S. institutions or a degree which would otherwise be recognized in the United States.

### Coverage and Methodology of the Study

The consultant visited all four of the Spanish-speaking Central American countries where AID has an active mission: Costa Rica, El Salvador, Guatemala, and Honduras. Documents on Panama were also reviewed and extensive discussions held with those having current knowledge of business administration job opportunities in Panama and the programs available there to supply the demand.

In the course of his work, the consultant reviewed various studies recently carried out by Aid Missions, the Central American Institute of Business Administration (INCAE), National University of San Diego in Costa Rica, the American Management Association, as well as other institutions, and which addressed the need and demand for business management training in Central America, and especially for graduate education in business or business administration.

The consultant visited managers or directors of local chambers of commerce, chambers of industry, key business and industrial leaders, representatives of the banking communities, of accounting firms, of economic development organizations and related institutions in order to assess their views on the marketability of graduate business degrees in Central America and the extent of that market. No effort was made to quantify the market place, as necessary data are simply not available, and other factors, such as part-time study by already employed administrators and managers, greatly complicate the determination of demand. Some definite indicators were identified, however.

Faculty members and administrators of selected Central American universities and higher education institutes, particularly those offering graduate degrees in business, were interviewed to assess their record of placement of graduates with MBA or equivalent degrees, their views regarding marketability in general of such degrees, and their willingness or ability to expand existing programs to accommodate larger enrollments if demand would justify doing so.

In order to qualify for entrance into graduate business programs, individuals must usually have a prerequisite background of undergraduate course work, such as accounting, mathematics or statistics, and so on. As a part of the study the consultant discussed with relevant university personnel the number of annual graduates qualified to pursue graduate study in business, desirous of doing so, but inhibited or prevented from continuing their studies at the graduate level by lack of financial resources.

To complete his study, the consultant identified all ongoing MBA or equivalent programs in the region. With the exception of those in Panama, the consultant visited each institution offering graduate business programs. He discussed with those in charge program objectives, policies, and problems; obtained appropriate documentation; and inspected facilities. In each instance, he sought to determine:

- a. The content of the graduate program, including required and optional courses, and the length of the program in terms of contact hours, credits, or other measures and requirements for graduation.
- b. Standards for admission of students and manner in which qualifications are determined.
- c. The number and type of faculty employed and their academic credentials and experience in the field.
- d. Library resources, computer facilities, case materials, and teaching accommodations.

As part of his interviews with members of the business communities and other knowledgeable persons, the consultant queried interviewees to assess their knowledge of and views concerning the quality and relevance of ongoing MBA programs in the region.

#### Evaluation and Recommendations

Based upon the above discussions, documentation, and inspections, the consultant has sought to identify the different types and quality of programs available in Central America. He has dared to present a rough rank ordering of the programs in accordance with their perceived quality.

In addition, he has prepared a set of recommendations as to how resources might best be utilized to obtain maximum benefit to the United States and to the Central American region by a program of scholarships for graduate business study in Central American institutions. The basis for each recommendation is set forth in the report.

## THE MBA DEGREE IN CENTRAL AMERICA

The Master of Business Administration degree is today widely known throughout Central America. This is a recent phenomenon, for a decade or two ago a licenciatura in economics would have been viewed as the closest academic approach to preparation for a career in business. Legal studies might also have been considered appropriate. Subsequently, undergraduate programs in business were initiated in faculties of economics, accounting, and finance, some leading to a licenciatura in business or finance. Today the graduate MBA is in vogue and everywhere in demand.

The MBA as a terminal, professional degree has been popularized in the region by two key factors: the growing number of persons who have acquired the degree in the United States, and the very significant influence of the Central American Institute of Business Administration (Instituto Centroamericano de Administración de Empresas, or INCAE), which began offering the degree in a regional graduate program in 1967.\* Today, every country has a significant group of people who possess the MBA degree and who are engaged in key positions in private industry and commerce, or, in a lesser number of cases, in government service.

The usefulness of the MBA degree has been demonstrated by the success in the world of business of those who possess it. The content and relevance of the programs are demonstrably contributors to effective and successful performance. It is to be acknowledged, of course, that the various factors which determine admission to graduate degree programs and continuance in them have been influential as well, for admission and academic performance standards have been high, so that in most cases only the most able candidates have obtained the degree.

That the MBA degree is valued and popular is further attested to by the recent proliferation of new graduate programs in this field in every Central American country. No country now has less than two such programs, and still others are contemplated. All the new programs are currently of a part-time nature, with courses in the evening and/or on weekends, and part-time instruc-

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\*Another evidence of US educational system impact on Central American university programs has been the emergence of a university Bachelor's degree, or Bachillerato Universitario, in Costa Rica and Honduras. This is a four-year degree below the level of the five-year Licenciatura. The bachillerato title is normally awarded upon completion of secondary school.

tors are employed to do the teaching. The real problem now is not recognition of the MBA degree or its utility in the market place; instead it is the difficulty of maintaining high standards of admission and performance in the new programs, a high caliber of instruction, and relevant and appropriate teaching methodologies. There is danger that the MBA will be debased.

### The Issue of Accreditation

Accreditation of university degrees is a domestic issue in each country of Central America. Traditionally, and usually legally, the function of approving academic degrees has resided with the national or principal state-supported university, such as the University of Costa Rica or the National Autonomous University of Honduras. The creation of private universities, and in one instance of an additional state-supported university, has placed this arrangement under severe stress or caused it to break down completely.

The University of Costa Rica has reacted very conservatively and in a manner to protect the quality of its own programs, refusing to recognize degrees offered by other institutions in most cases. In Honduras, the National Autonomous University has seen fit to give recognition to new institutions and their degrees if proper procedures are followed and standards are met. In El Salvador, where the National Autonomous University was closed for some time because of political disturbances, the system has broken down completely. Today there are some twenty or thirty institutions in the country that call themselves universities, although only a few have real academic capability. In Guatemala there exists a Council on Private Higher Education that accredits private institutions at the university level.

### Accreditation by U.S. Associations

The question of American accreditation is a very different matter. Three institutions offering MBA degrees in Central America hold institutional accreditation from one of the regional associations of colleges and universities in the United States. National University of San Diego is accredited by the Western Association, NOVA University in Panama is accredited by the Southern Association, and the Inter-American University of Puerto Rico is accredited by the Middle States Association. However, no graduate business program currently being offered in Central America is accredited by the American Assembly of Collegiate Schools of Business (AACSB), the professional association that sets standards for this degree in the United States. The only institution in Central America that is a member of the AACSB is the Central American Institute of Business Administration (INCAE) in Costa Rica.

The purpose of accreditation is to assure that basic educational standards are being met by the institution and by individual programs. Another important purpose is to assure the transferability of credits or completed academic work from one institution to another. The Master of Business Administration degree is viewed virtually everywhere as a terminal professional degree, however; that is, people completing the degree are expected to leave academia and engage in the practice of management and/or business activity. Normally, the MBA is not a step toward a higher degree, such as the doctorate. Thus the issue of transferability of credits or degrees is seldom of great significance.

Nevertheless, the MBA is often used in Central America as the basis for an academic teaching appointment, especially the degrees granted by INCAE. Indeed, INCAE has offered scholarships to faculty of universities in the region to attend the Institute and earn the degree and to participate in its special training programs for teachers of business. INCAE MBA graduates may be found teaching in many of the universities of the region.

Few business leaders in Central America are concerned about whether an institution offering the MBA degree possesses institutional accreditation in the United States. Quality institutions are expected to have it. It must also be stated that the standard by which MBA holders are generally viewed by business and governmental employers is the standard set by INCAE. This is generally true despite some criticism of INCAE graduates as being too theoretically oriented or too specifically focused on top as contrasted with other levels of management.

#### The Question of Linkages

As far as linkages are concerned, a number of the MBA programs in Central America have had or continue to have arrangements with programs in the United States, even though there may be no formal contract or inter-institutional tie. INCAE has had long-standing relationships with Harvard; the graduate business program at the Francisco Marroquín University in Guatemala has had exchanges with the University of California at Los Angeles, the University of Texas, the University of Chicago, the University of Rochester, and Florida International University; and the Central American University "José Simeón Cañas" in El Salvador has received regular assistance from the Higher School of Business Administration and Management (ESADE) in Barcelona, Spain. Both the National Autonomous University of Honduras and the Central American Technological University in Honduras have received aid from the Technological Institute of Monterrey, Mexico in setting up their graduate business programs.

Two institutions have unique relationships with home cam-

puses in that students may pay their tuition and other fees in Costa Rican colones and attend classes in the United States. These are the National University of San Diego and the Inter-American University of Puerto Rico, both with programs in San José, Costa Rica. Few have availed themselves of this opportunity, however.

### The Market for the MBA Degree in Central America

It is a strongly held view of business leaders in Central America that persons holding MBA degrees perform better on the job than those without the degree. But the leaders are also concerned with where the degrees were obtained when it comes to hiring a new graduate. A degree obtained from a well-known U.S. university is valued most highly because the person will have a command of English as well as a business education. Again and again owners and top managers of enterprises state that the businessman or businesswoman of the future must have English if he/she is to succeed in the international environment in which all Central American countries are now living. This point of view is strongly evident in Costa Rica, Honduras, and Panama, but perhaps less firmly held in El Salvador and Guatemala.

An MBA degree from INCAE is very highly valued, and normally half of any graduating class (these total about 90 per year) have been contracted for before members receive their diplomas. Employers and recruiters from all over the region and sometimes beyond come to the INCAE campus to interview the students about to graduate. Few of those not contracted before graduation have difficulty in placement, three months being considered about the maximum time it takes to find a good position. Of course, there are occasional exceptions, but the overall record is very good throughout the region. INCAE offices in each country keep track of graduate placements.

At Francisco Marroquin University in Guatemala, some students are hired away before completing their degrees. Others, of course, have good positions before they enroll in the program.

In no country does there appear to be a surfeit of MBA degree holders. If placement difficulties do arise, they will most likely appear in Honduras and Panama, for reasons discussed in the next section.

### Factors Affecting the MBA Marketplace in Central America

As each developing country in Central America is small in size and limited in economic diversification, there are certainly limits to the number of professionals or specialists that can be

absorbed in any field. Special factors affect the field of business and its potential for absorbing a growing managerial class.

### Structure of the Business Community

The structure of the business community in each country has an important bearing on the demand for top and middle level managers with advanced degrees. Guatemala and Costa Rica possess the most advanced economies in Central America with a substantial mixture of local manufacturing industry, commercial companies, and international or multinational corporations. Costa Rica possesses a substantial number of publicly owned enterprises, in the utility, banking, and health care fields particularly. El Salvador, which at one time was a leader in export manufacturing in the region, has lost much of its former role owing to the internal civil war. It still has a considerable number of manufacturing and service enterprises, as well as construction firms, however.

Panama has been characterized in recent years by an extensive international banking community but relatively little manufacturing. Banks have employed about 9,000 Panamanians up till the recent political crisis, but many of these have been in clerical positions. Administrative ranks are considered saturated with people holding licenciatura degrees, while top management positions are frequently held by foreigners. Panama and Honduras, as well as Costa Rica, are major exporters of bananas, but this industry provides few opportunities for holders of management degrees.

Honduras has the least developed manufacturing and business sector, and much of that activity is concentrated in San Pedro Sula rather than the capital, Tegucigalpa. It is not surprising that it is in this country one finds the greatest concern that the market will soon be saturated for MBA holders, if it is not so already. This point of view is far from universally shared, however. There is strong recognition in the education field, nevertheless, that the real opportunity for future MBA graduates lies in starting new enterprises rather than finding employment with existing ones.

### Multinational Corporations

One of the more significant markets for MBA holders throughout the region is in the financial consulting and auditing field, activities dominated by multinational corporations. Multinationals in trading, manufacturing, and banking provide opportunities as well. It is the leadership of many of these enterprises that actively recruits MBA graduates each year from INCAE and other institutions.

## Family Businesses

Until the last two decades, family enterprises tended to constitute the dominant form of business activity, with most engaged in trade rather than manufacturing or construction. This is still a major factor in Panama and Honduras, and is significant in the other countries as well. Outsiders have little prospect of advancing to managerial positions short of marrying into the family and the issue of "confidencia" or personal trust is valued far more than professional competence or training.

This pattern is changing, however, as businesses expand and greater competition enters the picture. Increasing numbers of children expected to enter the family business are sent to get a business education, either in the United States or Europe, or perhaps at INCAE. Others enroll in the part-time programs that are available. Furthermore, children today don't necessarily wish to take over the family business, but elect some other activity or profession. In such cases, the businesses either are sold, cease to exist, or are opened up to professionally trained managers from outside the family. Numerous cases of opening up and successful expansion can be cited in Guatemala, El Salvador, and Costa Rica. However, this is not a pattern than has become common in either Honduras or Panama.

## Educating Those Already Employed

By far the biggest field for institutions offering graduate study in business is the education of those already employed. This requires a part-time program and is particularly appealing to upwardly mobile young people of modest resources and those who have taken on family responsibilities and cannot undertake full-time study abroad or at such an institution as INCAE. Such persons are almost by definition at the middle levels of management or administration and the programs they enter must necessarily reflect this reality if they are to be meaningful to the students.

Most of the newer graduate business programs in Central America are aimed at the middle-level manager and are consequently meeting a very important need. Central Americans are strong believers in education as a means to self-advancement, and this explains in part the great popularity of the part-time business programs. Middle-level managers and managers of small enterprises hope to improve their performance and advance their business careers by undertaking and completing graduate degree programs. The size of the market is therefore very great as long as the countries continue to develop and business to expand.

The creation of new enterprises by those who aspire to oper-

ate their own businesses and who feel prepared to strike out on their own after learning the ropes in a graduate program can provide a major stimulus to the development process. New enterprise creation may also be the answer to those who fear a restricted job market for MBA graduates in Honduras and Panama. Programs must be designed to prepare entrepreneurs rather than administrative employees, however, if such a process is to succeed.

### The Marketplace in Summary

A Master's degree in Business Administration is very widely recognized in Central America. It is valued in the job market and within the business or industrial enterprise. That is, it will definitely help in job placement, and for those already placed it can lead to promotion and higher salary. It will improve placement chances in the public service, particularly in public enterprises.

The most valuable MBA degree is one obtained from a prestigious U.S. university, mostly because whoever possesses such a degree must have a command of English as well as the native Spanish. Next in value is an MBA from INCAE, the Central American Institute of Business Administration. Within individual countries, the value of a local MBA degree depends largely on the reputation of the program from which obtained.

There is little danger of the market becoming saturated in the foreseeable future, although there are some possibilities of weakness in Honduras and Panama.

Institutional accreditation, whether local in the country or by a U.S. regional association is essentially of no significance. Inasmuch as no program in Central America is accredited by the American Assembly of Collegiate Schools of Business, whose existence is largely unknown even in academic circles, program accreditation is likewise of little importance. What is important is the reputation of the program itself, and this up till now is largely a function of the performance of graduates.

In the not distant future, some form of regional accreditation or quality control process may become highly desirable in Central America. It would seem premature to consider creating a system for accreditation at present.

## THE PROBLEM OF FINANCING GRADUATE STUDY

In a region where university education has in past years been virtually free in public and even in religious institutions, the development and growth of privately financed universities that charge a fee for enrollment is a relatively recent phenomenon. Increasing costs, however, are causing even the publicly supported universities to increase the fees that students must pay to attend.

In all Central American countries, the great majority of students continue to attend public universities, and these have extensive programs in accounting, economics, finance, or business at the undergraduate and licenciatura levels. However, with but one exception, all Master's degree programs in Business Administration are offered in private institutions which charge substantial tuition and entrance fees. The one exception is the National Autonomous University of Honduras, a public university, but there too the MBA program requires a considerable tuition payment.

Among the programs, tuition costs alone range from \$900 for a fifteen-month program at the Technological University in El Salvador to \$8,650 for a two-year program at INCAE. The average is over \$3,700.

The consequence of having to pay for graduate education is that only people with financial resources are able to attend. An elitist cast is given to the study of business without anyone's intention to exclude those of limited means. The reality is, of course, that quality education is costly wherever it is offered, and Central America is no exception.

### The Middle Class and Poorer Student

The small wealthy class in Central America, estimated to be no more than 3 percent of the population even in Costa Rica, will normally send their children to the United States or Europe for their university education. Until recently, many of the middle class found ways to send their children to the United States as well. Indications are, however, that as the cost of US higher education has risen in recent years and economic depression has prevailed in much of Central America, fewer and fewer students are being sent abroad for university work.\* These trends have no doubt helped spur the development of new private universities in several of the countries, for many parents have wished to avoid

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\* Normally around 20 Salvadoran members of the graduating class at the American School in San Salvador enter universities in the United States. This year there are 4.

the so-called "massified" and frequently politicized public institutions for the education of their children.

The poorer student has generally had no alternative to attendance at the public universities if he or she is to get a higher education at all. Most of the governments have set up some form of student loan program, but to get a loan in Costa Rica or Honduras, for instance, a property mortgage and/or bond with co-signers are required. A student from a poor family has little prospect of meeting such a requirement.

That there is a substantial pool of students who wish to enter graduate business programs is clear. Many more apply than are admitted to most of the programs. That a lack of resources deters a substantial number is demonstrated by the INCAE experience. In recent years, on the order of fifty or sixty students who have passed the rigorous examinations and been admitted to the program do not enter because they cannot obtain the money. Similarly, National University of San Diego in Costa Rica reports students who have to drop out or attenuate their studies for lack of funds. Virtually all program express similar problems.

The rector at Francisco Marroquin University in Guatemala expresses an interesting point of view, nevertheless. That is, that a student should not be admitted to graduate study in business unless he or she has already succeeded sufficiently on the job to be able to afford the cost. The Marroquin program is one of the less costly, incidentally.

It is to be noted that enrollments in undergraduate programs in faculties of economics, finance, and business are very large throughout the Central American countries. For instance, in the University of Panama over a quarter of the 40,000 students in the university are enrolled in undergraduate programs in this area, and in a sample questioned in 1987 over 70 per cent expressed interest in obtaining an MBA degree.\*

#### Scholarships: An Insatiable Thirst

It seems clear that preparing better business managers and entrepreneurs through graduate business education can help invigorate and expand the Central American private sector. It is also abundantly clear that the pool of potential graduate students in business among the democratically governed countries of the region is very large indeed. It could certainly run into a thous-

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\* Guillermo J. Padilla, "Análisis de las Posibilidades de la Implantación de un Programa de MBA de la Universidad de Panamá", unpublished MBA Final Project Report, National University, San José, Costa Rica, 1987.

and or more candidates each year. A million-and-a-half dollars made available on a one-time basis would reach very few of these. The overall impact would be quite minimal. The surface of need would scarcely be scratched.

On an annual basis, however, a different picture emerges. Four students could be sent from each country each year for study in the United States, assuming that three years are needed to learn English and complete the Master's program. Fifteen students could be sent from each country to INCAE, or twenty from each country to other institutions in the region. Most institutions would quickly find themselves hard pressed to absorb such an influx. The impact on the region, however, would soon be substantial.

However, proposing a program of scholarships to improve private sector performance raises a number of critical issues that are not easily resolved. These are taken up in the next section.

#### Alternatives in the Use of Scholarship Funds

Critical policy issues arise as to how scholarship funds might best be used in Central America to promote both U.S. interests and those of the private sectors of the countries involved.

1. Would the money not best be spent bringing selected candidates to obtain degrees in U.S. universities where not only will they learn English and thus enhance the value of their degrees, but where they will also become familiar with U.S. business methods and thinking?

Many key businessmen in Central America answer this question in the affirmative, some citing their own backgrounds as evidence of the value of a U.S. business degree. AID Missions in Central America have been sending substantial numbers of students to the U.S. precisely to achieve the objectives indicated, as well as to build permanent professional linkages with the United States among the region's private sector leaders. Numbers and programs vary from country to country, but the total investment is considerable. Thus existing country programs meet a good part of this need.

2. If degree programs in Central America are to be used, would the money not be best spent by expanding INCAE's scholarship endowment so as to enable more people to complete a quality program at lower cost?

Some would certainly support this approach, particularly

those who are currently engaged in seeking additional INCAE endowment contributions. However, it must be recognized that the INCAE approach and its focus on preparing people for top executive roles does not address all the needs of the Central American private sector; neither can INCAE begin to accept and educate the very large numbers who need graduate management study.

3. Would not a loan fund for full or part-time study in any of the region's graduate programs provide an optimal use of resources?

There is really no way to do this on a regional basis without getting AID into the banking and collection business, with enormous legal complications in each country. Even if this were a resolvable problem, new alleged Master's programs would likely spring up all over the place, and much of the money would be wasted in poor quality institutions.

4. Should not particular institutions be given grants of scholarship funds to administer on behalf of needy students?

The issue of which institutions immediately becomes critical, as do problems of need definition, standards of administration, and fiscal responsibility. Further, the political purpose is likely to be lost or minimized in the separation of the beneficiary from the source of funding.

5. Might not another approach be use of scholarship funds to better train and up-grade the faculty of selected graduate business schools in the region?

Such a program could be administered regionally as part of the graduate education program currently being planned by the AID Regional Office of Central American Programs. Schools at which the scholarships could be used could be controlled and quality standards upheld. Furthermore, the program would have the advantage of increasing the pool of qualified teachers in each country and thereby strengthen a number of struggling institutions.

## EXISTING CENTRAL AMERICAN GRADUATE BUSINESS PROGRAMS

Currently, eleven institutions offer graduate degrees in business administration or their equivalent in the five Central American countries under study. One other school, the Autonomous University of Central America (UACA), in Costa Rica, has on the books an authorized Master's degree in Industrial Administration, but there have been no graduates and the program is not active. The program is therefore not included in this study. Costa Rica has three of the eleven included programs, and each of the other countries has two. Details of each program are presented in Annex A.

### Regional Programs

The only full-time, residential program, and also the only truly regional program, is the MAE, or Master of Business Administration, offered by the Central American Institute of Business Administration (INCAE) at Alajuela, Costa Rica. INCAE is an institute, not a university, as some academic critics are quick to point out. The industrial and business communities in the region seem not at all concerned about this distinction, however, when they are looking for new managerial talent. Recruiters flock to Alajuela.

### Stronger National Programs

The program generally regarded as second strongest among the five countries, as measured by the content and rigor of the curriculum and the caliber of the faculty, is the Master's degree offered by the Francisco Marroquín University in Guatemala City. It is a small program and relatively new, and no pretense is made of it being regional in its appeal, but its standards are high and much is demanded of the students despite it being a part-time program. The program caters to upwardly mobile, middle-level business administrators who wish to improve their competence. The students and most faculty have daytime jobs and attend university in the evening.

### Other Established Programs

Two programs should be ranked at the third but much lower level in the region. These are the programs of Santa María la Antigua University in Panama and National University of San Diego in San José, Costa Rica. Both programs have been in existence for the past five to eight years and have established a track record in terms of the performance of their graduates. People completing

these programs frequently have managerial or administrative positions to begin with, but after obtaining the degree quite a few enter the job market in search of higher positions, and they often do locate more satisfactory placements in a short time.

#### Newer and Less Developed Programs

With one exception, the Master of Industrial Administration program at the Rafael Landívar University in Guatemala, which was initiated in 1974, all other graduate business programs in Central America, other than those mentioned above, are of very recent creation and have very little to offer as evidence of their performance. Although called industrial administration, the Landívar program differs little from a typical business Master's degree. The Virginia Polytechnic Institute and State University participated in design of the curriculum in 1974, and there has been little or no modification since then. A group of required courses without specializations constitutes the program of study. Views of the quality of the program differ widely, but it is clearly not comparable to that of Marroquín University, and it lacks the versatility of the others mentioned above.

El Salvador has two graduate business programs, both of very recent creation. One is at the Technological University and has but a small enrollment. It began in 1986 with Master's degrees offered in Financial Administration and in Marketing. The Business Administration program, as such, was only begun this year, 1988, with an enrollment of 52 students. The other program was initiated in 1987 at the Central American University "José Simeón Cañas". When first announced, 140 persons applied for admission, 80 were selected, and 40 of these have continued into the second year. Another 80 began the program in 1988.

The program at Central American University "José Simeón Cañas" would seem to have possibilities, for the university has a reputation for maintaining high standards of academic performance. A Jesuit institution, the university was founded in 1974 with support from the business and industrial community, which was initially represented on the Board. At present, however, no such representation remains and the Jesuits are in complete control. The particular group involved have the reputation of being supporters of the "Liberation Theology" movement, and blame many if not all the problems of the Central American region on the "imperialism" of the industrial powers, and particularly on the United States. Thus the university is seen as leaning far to the left and presenting a very socialistic view of society, economics, and politics. Many early alumni of the university find the positions taken by the current leadership and faculty unacceptable, and the business community suggests that graduates of

the Master's degree in business, when they complete the program, will be viewed with suspicion in the job market. People who know the university well assert that political indoctrination overrides all other considerations, and they question how an institution so oriented can offer a degree in business at all.

Basically, El Salvador is not served by any strong graduate business program within the country. In fact, some businessmen expressed the view that a good U.S. university would be very welcome were it to set up an MBA program in San Salvador. This is a very unlikely possibility at present. However, there have been discussions with Francisco Marroquin University in Guatemala as to the possibility of opening a branch of its graduate business program in San Salvador. A top official of the latter university expressed his interest in this possibility because, as he said, "El Salvador very badly needs such a program."\*

Honduras also has two new programs, one at the National Autonomous University and the other at a new institution created in the fall of 1987 as the Technological University of Central America. The National Autonomous University program was created by the Faculty of Economics in 1985, with consulting assistance from the Instituto Tecnológico de Monterrey, Mexico, and much of its initial effort has involved preparing some twenty teachers at the Master's level in business so that they could offer the MBA degree in San Pedro Sula, the principal industrial center of the country.

The Technological University of Central America, which has also had assistance from the Monterrey Institute, presents a unique thrust in its MBA program in that it is designed to prepare new entrepreneurs rather than managers of established firms or corporations. Students to graduate must complete an entrepreneurial project, which it is hoped may provide a start in the business world for at least a portion of the graduates. How successful this thrust will be remains to be seen, but it is an innovative idea designed not only to provide employment but to expand the small business base of Honduras. Around 50 students are currently enrolled.

Two other institutions must be mentioned. One is the Inter-American University of Puerto Rico which opened an MBA program in San José, Costa Rica two years ago in collaboration with a local institution, the Technological Institute of Business Administration (ITAE), which had no graduate program. The two have now severed their relationship, and the Inter-American University is carrying on by itself in a new location not far from the Univer-

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\* Interview with the Rector of Universidad Francisco Marroquín, Manuel F. Ayau, May 16, 1988.

sity of Costa Rica. A small first group of students is completing the degree this spring. With support from its very substantial base in Puerto Rico, this program has the potential to become a significant factor in business education in Costa Rica.

The other remaining program also has its base in the United States. Nova University of Ft. Lauderdale, Florida operates a small MBA program in Panama. This program is in English, rather than Spanish, and Panamanians who enter it must pass the TOEFL test for English proficiency. Like many Nova programs conducted in the U.S., the MBA in Panama follows the pattern of intensive weekends of classes. These are presented every third weekend of the month on Fridays and Saturdays, with professors coming from Florida or drawn from the Panamanian business community. The students are expected to study on their own with provided materials between the monthly sessions. Enrollment is small with some 20 or 30 per session, and many are from the American community resident in Panama. Nova uses rented or borrowed facilities for its presentations.

#### Commentary

No program other than that of INCAE can be considered regional in its operation. INCAE maintains an office in each country, not only to aid in recruitment, student selection, and placement of graduates, but also to prepare for the executive seminars and other activities carried on by the Institute.

No institution is likely to become regional unless it converts at least part of its program to a full-time residential basis, for students cannot be expected to leave their jobs and their families and go to another country to engage in part-time graduate education. Of course there are exceptions, and the National University of San Diego in Costa Rica has had a few students from Panama and one or two other countries. However, outside of Costa Rica the school is virtually unknown, and the same can be said for the Inter-American University, Nova University, and most of the other institutions with graduate business programs. Central American University "José Simeón Cañas" is known outside of El Salvador, but its graduate business program is not. The Technological University of Central America in Honduras has ambitions to become a regional institution, but it has to be firmly established in Honduras first.

Many of the new programs have emerged with very traditional curricula, with emphasis in finance, accounting, marketing, and personnel. Production management, quality control, and related topics are scarcely touched in some programs, and few have much to offer in business policy and strategy, environmental analysis,

organizational planning, or labor-management relations. One gets the impression that there is inadequate study of the marketplace before launching new programs, and consequently many are not sufficiently responsive to the needs of the country or the region. In most programs, the focus of marketing courses is on the domestic rather than the international marketplace. There is need for a better and closer look at the needs of the students and less reliance on tradition and imported curricula.

Although it is useful to make comparisons among the various graduate programs in business, there is up to this point very little competition among them. Each serves a distinctly different clientele. INCAE seeks to prepare bright young people with some business experience for top management roles in the future, and its selection and placement is region-wide. Every other program is essentially national and largely devoted to the education on a part-time basis of already employed middle managers. No one is offering much for the very top manager, except for the executive seminars which INCAE offers in the different countries from time to time. An executive MBA program might be in order in Guatemala and El Salvador, but currently only INCAE has the capacity to offer it.

## RECOMMENDATIONS

There is a very substantial unmet need for quality business education at the graduate level in Central America. This is evident by reason of the private sector demand for persons possessing the MBA degree, the premium salaries they command, and the rapid advancement many of them achieve. It is also evident by reason of the recent creation of five new graduate business programs in the region and the entry of three U.S. universities which are offering their degrees to be earned on campuses in Central America as well.

Without in any way questioning the intention or desire of all the institutions to offer a top quality program in business management, it is not going to be possible for more than a few of them to do so in the foreseeable future. The reason is a simple one: qualified graduate business teachers are in very short supply in every country of Central America and there are simply not enough to go around. New programs list faculty with advanced degrees, but many have no teaching background, have little understanding of instructional methodology in business, and by reason of other demands on their time are unable to keep up with the field in which they teach. Quite a few teach at more than one institution and thus appear more than once in the faculty listings.

Furthermore, many of the newer programs list courses in their graduate business curricula that have as yet not been taught. They represent more of an ideal program than a real one that can be implemented with available teachers. Where are the teachers to be found?

While recognizing that full-time teachers of full-time students in a setting such as that offered by INCAE is ideal, it is seldom the rule even in the United States where many graduate business programs are taught at night to working students and frequently with the use of some adjunct (part-time) professors drawn from the business community. Furthermore, it is notable that in Latin America (and to a lesser degree in the United States) there are significant numbers of individuals in business and government who devote a good part of their lives to teaching in the university, who are extremely dedicated to this activity despite its lack of significant remuneration, and who struggle to achieve a quality performance without engaging in research and without adequate time to keep up with their teaching field. Many neglect their gainful employment to perform their university function. The universities need these people and depend upon them; they in turn need help to qualify as competent professors and to maintain themselves abreast of new developments.

It would be difficult to find a better use for limited scholarship funds for higher business education in Central America than to use them to develop and to up-grade professors or teachers of business management in the region. Not only would the use of funds for this purpose help raise the quality of instruction, it will also help prevent the debasement of the MBA degree by poorly organized and presented programs. Furthermore, by making scholarships usable only at institutions of established and recognized standards, a small measure of quality control is introduced.

For the above reasons, as well as those indicated on pages 13 and 14 of this report, the following recommendations are offered:

1. A broad scholarship program for qualified students who wish to study for graduate business degrees should not be created.

Most students would have to attend in their own country because of the need to work, family commitments, and so on. The one existing regional program cannot absorb large numbers of new students and most of the new national programs have not yet established a record of quality worthy of scholarship support. To send large numbers of students to them would overburden the programs and give the wrong impression of what a supportable MBA program really is.

2. A scholarship program focused on upgrading business administration faculty should be created and operated on a regional basis, and it should be tied into a ROCAP program now under development which will support graduate study at selected institutions in Central America that offer quality programs.

The field of Business Administration is listed in the proposed program, although as yet no specific indication has been developed as to who should be enabled to attend graduate programs in business. Better preparation of faculty, including those now teaching at undergraduate levels, would be an ideal determination.

3. Scholarships should be granted to individual, carefully selected faculty members, not the schools, and they should be usable only at selected institutions in the region or in the U.S. to which a scholarship applicant has already gained admission by meeting the admission standards of the graduate business program.

The purpose is not institution building by supporting par-

ticular programs financially, but it is rather the creation of a pool of better prepared business teachers in the region.

4. Those institutions in the region initially eligible for use of the scholarships should be limited to INCAE in Costa Rica and to the graduate business program at Francisco Marroquín University in Guatemala.

These are the only two programs of sufficient rigor to prepare graduate-level instructors.

5. Deans or rectors of the above institutional business programs, together with those of National University of San Diego in San José, Costa Rica and Universidad Santa María la Antigua in Panama should be encouraged to meet together and consider the formation of a regional association of graduate business schools for the purpose of setting basic standards for the MBA degree in Central America.

6. Some funds should be used to stimulate the study of English as part of the graduate business program. Beneficiaries of scholarships might earn a special certificate of English competence while completing their MBA degrees.

7. Whatever organization administers the program of graduate business scholarships, whether it be ROCAP or a contractor, should negotiate with each sending and receiving institution as to the terms and conditions for scholarship use.

**ANNEX A**

**PROGRAM DESCRIPTIONS  
GRADUATE BUSINESS SCHOOLS IN CENTRAL AMERICA**

INSTITUTO CENTROAMERICANO DE ADMINISTRACION DE EMPRESAS  
(INCAE)  
Alajuela, Costa Rica

Program Origins

The Central American Institute of Business Administration was created in 1964 as a private, non-profit, multi-national school of business. With program support from the business communities of the Central American countries and from the Harvard University Business School, the Institute (INCAE) received financial backing from the U.S. Agency for International Development. The first campus was located outside of Managua, Nicaragua, and it was there that the Master's program was initiated in 1967. However, after the Nicaraguan Revolution, a new campus was acquired near Alajuela, Costa Rica in the early 1980's. Although the Nicaraguan campus is still retained, the headquarters are in Costa Rica and it is there that the Master's degree in Business Administration is now offered.

Degrees Offered

INCAE offers the MAE degree, which translates as a Master's of Business Administration. A Master's in Managerial Economics is also now offered.

Student Body

There are currently 179 graduate students enrolled in the two Master's programs at INCAE. Sixty-five are first year graduate students in Business Administration, 83 are in the second year, and 31 are in the graduate Economics program. Seventy-five percent of the student body is from Central America and Panama, with others coming from elsewhere in Latin America. Ninety-five percent have previous work experience, and only an applicant with a very exceptional undergraduate record would be admitted without it. A few students are sponsored by their employers. All countries of the region are represented in the student body.

Admission Standards

An application must be completed and submitted together with transcript of all prior university work and degree awarded. A statement of financial resources is also required. Each appli-

cant must also take a written examination comparable to the Graduate Management Aptitude Test used in the United States, have three letters of recommendation submitted directly to the school by the writer, undergo an oral interview, and present a written statement of life plan, career objectives, and justification showing how graduate study in business will contribute to the realization of those objectives. Finally, a medical certificate is required and an application fee must be paid.

### Graduation Standards

All students undertake a full-time residential program lasting two terms of nine months each. During the first term, all students follow a common curriculum. More advanced study and areas of specialization are offered in the second term. In the three-month interval between terms, students are encouraged to find a job placement to gain experience. A high level of academic performance is demanded in all the 36 courses required to graduate.

### System of Instruction

Although the Harvard Business School case method is featured throughout the Master's program, lectures and discussion, management games, preparation of papers, simulations, and practical exercises are also used. Cases used in the program reflect not only the real world of business, but also the Central American environment and problems of doing business in the region.

Courses are taught on a trimester basis, with classes of one hour and twenty minutes length each day. Students are in class 20 hours a week and are expected to study an additional 50 hours.

### Costs

Tuition cost for the entire program is currently \$8,650. Other costs include application fee, case materials, medical insurance, and food and housing. Food and housing, for instance, can add up to \$4,600 over a two-year period, and more if the student is married with a family. There is also the cost of transportation to and from Costa Rica for students from other countries. One has to figure close to \$9,000 a year in total. Loan funds are available to some extent. All payments must be made in U.S. dollars.

### Faculty

The current teaching faculty is approximately 30 in number, over 90 percent of whom hold the Ph.D. degree, or equivalent DBA. The others have Master's degrees. The faculty is full time, dedicating all their efforts to the programs of the Institute. It is an international faculty with a number of countries represented.

## Facilities

INCAE has an excellent campus with facilities designed for a graduate business program. Faculty have small, pleasant offices in which they may meet with students as well as conduct their own work. Classrooms are ample and well-equipped and designed for case method instruction. The library is the largest and most complete business library in the five countries included in this study. Computer facilities are excellent.

Student housing facilities are in units located on the hillsides and are very attractive. Food services and recreational facilities are exceptional.

## Extra-Area Linkages

From its inception, INCAE has had close linkages with the Harvard Business School. Many faculty have doctorates from the Harvard program, and many Harvard faculty have taught at INCAE. In addition, INCAE is known and well respected by many other U.S. business schools. It is a member of the American Assembly of Collegiate Schools of Business.

## Courses

First year courses are: Marketing I and II, Finance I and II, Production I and II, Interpersonal Relations, Organization I, Management of Human Resources, Accounting, Control I and II, Micro-Economics, Environmental Analysis,

Support courses include: Quantitative Analysis I and II, Decision Making and Presentation, English Instruction.

Second year courses include: Industrial Analysis and Strategy Formulation, Strategy Implementation, Political Analysis, Macroeconomic Analysis, Macro Field Work, Advanced Financial Management, Production and Productivity, Advanced Marketing, Strategic Control, Management Information Systems, and Micro Field Work.

Concentration courses are:

Agro-Industry: Agro-Industrial Management: Basic Product Systems in the International Market, Reading Seminar in Agro-Industry: Food Policy in Developing Countries.

Banking and Finance: Administration of Financial Institutions, Seminar in Banking and Finance.

Public Management: Public Management, Seminar in Public Management.

Support courses include: Comparative Political and Economic Systems, Business Law and Ethics.

UNIVERSIDAD FRANCISCO MARROQUIN  
Escuela Superior de Economía y Administración de Empresas  
Guatemala City, Guatemala

Program Origins

Universidad Francisco Marroquín was created in 1971 as a private non-sectarian university. The founding organization was a Centro para Estudios Económicos y Sociales, which initially was represented on the Board. Today the university is governed by a self-perpetuating Board of Trustees of from 40 to 50 members, which chooses a small Executive Board. The Executive Board selects the Rector, the Vice-Rector, and the Secretary, who themselves become Board members. The university is accredited by the Council on Private Higher Education of Guatemala. Total enrollment is above twenty-five hundred.

The Escuela Superior de Economía y Administración de Empresas (ESEADE), or Advanced School of Economics and Business Administration, was founded fourteen years ago to prepare top professional business managers or entrepreneurs. Approximately 150 Master's degrees have been awarded since 1975, with most in Business Administration and a lesser number in Finance and Economics.

Degree Offered

The degree offered is the Magister Artium (M.A.) in the field of Business Administration. The degree may involve one of several specializations.

Student Body

Those who enroll in the Master's program are mostly persons who have completed undergraduate study at Marroquín University, have entered the business field, and who subsequently wish to improve their capabilities by further study. While over 100 may enroll each year, the attrition rate is very high so that at the end of two years, only 15 or 20 graduate. In 1987 the number was only 7 in Business Administration. It is noteworthy that the undergraduate program in Economics and Business Administration is itself very selective, accepting students primarily from the stronger private secondary schools. An aptitude test is required stressing verbal and quantitative skills. There is an expressed desire to broaden the undergraduate base, but this has yet to be accomplished.

### Admission Standards

Admission requirements are simple. A degree at the licenciatura level or equivalent is required, with a photocopy of academic transcript, two passport size photos, and a completed admission application. The rigor of the program quickly eliminates many.

### Graduation Standards

Thirty-nine courses of 1.5 academic units each must be completed with an average of 2.8 on a 4 point scale. Seven courses are required in Economics, 15 in Management, 10 in Quantitative Analysis, and 7 in a specialization, which may be Business Administration, Economics, Finance, Marketing, Quantitative Methods, Administration of Information Systems, or Econometrics.

### System of Instruction

Methodology of instruction is mixed, but there is strong emphasis on the case method, individual projects and reports, laboratory work with computers, management games, together with lectures and discussion. Substantial reading assignments are given. Courses meet from 6:15 pm to 9:00 pm Monday through Friday, and from 8:00 am to 12:30 pm on Saturday in certain circumstances. There are normally 18 sessions per course and 5 courses per trimester. The total hours of class comes to 1,018.

### Costs

Current costs are Q 100 per course, paid at the beginning of each trimester, plus an enrollment fee of Q 80 for each trimester. The total cost of the program comes to \$1,816.

### Faculty

Approximately 5 percent of the faculty hold the Ph.D. degree, 90 percent hold Master's degrees, and the remaining 5 percent hold either the licenciatura or an engineering degree. Substantial use is made of visiting professors, drawn primarily from the United States, but from other countries as well. Except for the visiting faculty, most are part time.

### Facilities

The Universidad Francisco Marroquín has a new campus, and the classrooms and offices for the ESEADE are excellent, including two rooms designed for case method discussions. Computer facilities are very good. The library is adequate, and a new build-

ing to house an expanded library is under construction. As in most institutions in Central America, there is need for a broader coverage of business journals.

### Extra-Area Linkages

ESEADE has informal ties with the University of California at Los Angeles, the University of Chicago, the University of Rochester, the University of Texas, and Florida International University in the United States. There are links to institutions elsewhere as well. None of these is a legal or formal linkage.

### Courses

In the area of Economics, there are courses dealing with The Field of Practice, Money, the Free Market, the Controlled or Intervened Market, Analysis of Economic Conditions, Social Philosophy, and Business Ethics.

In the Management area, courses include Managerial Theory I and II, Financial Accounting I and II, Managerial Accounting I and II, Financial Administration I and II, Managerial Economics I and II, Marketing I, Techniques of Communication, Managerial Games, Computers I, and an elective course in Marketing.

Courses in Quantitative Analysis are Mathematical Analysis I, II, and III, Linear Algebra, Statistics I and II, Linear Programming I and II, Operations Research I, and an elective course in the same field.

Advanced specialization courses include, among others: International Finance; Project Evaluation; Taxation Analysis; Investment Analysis; Insurance; Analysis of Financial Conditions; Market Research; Promotion, Pricing and Packaging; Distribution and Sales; Development and Creative Production; Planning, Purchasing, and Evaluation of Means; Merchandising Plans; New Product Development; Money; Banking; Theory of the Free Market; Intervened Markets; Supply and Demand; Analysis of Economic Conditions; and Inflation.

NATIONAL UNIVERSITY  
San Diego, California  
Campus in San José, Costa Rica

Program Origins

National University was first organized in San Diego, California in 1971. The headquarters remain in San Diego, but the university has grown into an institution of over 11,000 students with nine satellite campuses in California, one in Nevada, and a graduate business school campus in San José, Costa Rica. The program in Costa Rica has been in existence since early in the 1980's.

Degree Offered

The degree is the Master of Business Administration, with possible specializations in International Business, Development and Management of Human Resources, Banking and Finance, or Marketing. It is granted by National University in San Diego, and is therefore a U.S. rather than a Costa Rican degree. National University is accredited by the Western Association of Schools and Colleges.

Student Body

Persons enrolled in the program in Costa Rica are middle-level to upper-level business managers and administrators seeking to improve their knowledge and skills and thereby their career prospects. Average age is around 34, and all but a very small number already have jobs. Around 100 students are regularly enrolled and normal class size is around 20.

Almost all students are from Costa Rica. There have been a few from Panama and a lesser number from other Central American countries. The total of non-Costa Rican students since the program began is only about 15. At present this cannot be regarded as a regional program.

Admission Standards

Prospective students must present at least a Bachelor's degree from a recognized institution; a grade average of 7.5 on a 10 point scale; three letters of recommendation - one professional, one academic, and one general; a statement of justification as to why the individual wishes to enter the program; a completed application form with two passport size photos; and a signed matriculation agreement together with the corresponding fee.

No examination is required. However, there are special courses, each of two weeks duration over a period of two months, for those students lacking a background in economics. The courses are Statistics, Economics, Accounting, and Finance. Students who have met both admission requirements and the prerequisites involved may enter any month of the year.

### Graduation Standards

Students must complete all fundamental or core courses and one of the series of specialization courses. Five credits are given for each course and a total of 75 academic credits must be completed with a "B" average or better, and a "B" grade must be obtained in all emphasis or specialization courses.

A final graduation project is required of all students. This may be initiated after completion of nine courses. A significant problem must be identified, together with a plan for studying it. The research must then be conducted, and findings and recommendations written up in presentable report form. The exercise is designed to provide an opportunity to synthesize knowledge from the various subjects studied as well as theoretical and practical aspects of management. The student has 18 months within which to finish the project after completion of the 14th course of study. There is no overall final examination, as examinations are given in each course.

### System of Instruction

A mixed system of instruction is used, with lectures and discussion, case studies, simulations, individual and group projects, and so on. Courses are 40-hour modules, one each month. Hours are from 5:30 pm to 9:30 or 10:00 pm two days a week, with one Saturday session each month. Courses may be taken in either English or Spanish.

### Costs

Total cost is \$7520 minimum. The monthly payment is \$495, plus a matriculation fee of \$20 and a graduation fee of \$75. The monthly charge for the propaedeutic courses is C6,000 or \$80. If any loans are involved, additional charges will ensue. All of these costs may be paid in Costa Rican colones and courses may be taken in San Diego and paid for in colones.

### Faculty

There are three full-time faculty members, including the vice chancellor in charge of the Costa Rican campus. Faculty general-

ly have Master's degrees, and there are a few who come from San Diego from time to time who have doctorates. Licenciaturas or equivalent degrees are common among those locally hired. As the previous statement suggests, most faculty are from Costa Rica, but others are brought from San Diego as needed. Students and others who are familiar with short course programs offered by the school complain of the unevenness of faculty quality.

### Facilities

Classrooms and offices are located on the second floor of a market complex in the western part of San José. Classrooms are quite adequate, although none is designed for intensive case discussion. The computer facility is suitable and adequate. The principal weakness is the small library of only a few thousand books and a number of journals. However, arrangements with other schools in the San José area, including INCAE, alleviate the problem. INCAE has the best business library in the region.

### Extra-Area Linkages

National University is a U.S. institution with its base in San Diego, California.

### Courses

Required core courses are: Creative Leadership, Inferential Statistics and Decision Making, Managerial Economics, Human Resource Administration, Managerial Accounting, Seminar in Financial Management, Computation and Management, Seminar in Marketing, Seminar in Advanced Management, and Final Graduation Project.

Specializations courses are:

In Banking and Finance: Financial Institutions, Banking Administration, Asset Analysis and Theory of the Portfolio, Investment Analysis, and International Finance.

In Marketing: Decision Making in Advertising, Advanced Sales Management, Consumer Behavior, Market Research, and International Marketing.

In Human Resources: Systems Theory Applied to Organizations; Planning and Development of Human Resources; Legal Aspects of the Administration of Human Resources; Compensation, Incentives, and Benefit Programs; Advanced Seminar in Industrial Relations; and Organizational Effectiveness and Productivity Improvement.

In International Business: International Legal Rights and Contracts, International Marketing, World Economic Development, International Finance, and International Administration.

LA UNIVERSIDAD SANTA MARIA LA ANTIGUA  
Panama City, Panama

Program Origins

Santa María la Antigua University was created in 1965 by the Catholic Order of Augustinian Cloistered Fathers (Padres Agustinos Recolectos). By 1986 the university had a student population of 5,000 students, over half of which were enrolled in the Faculty of Administrative Sciences. The Master's program was initiated in 1980.

Degrees Offered

Master's degrees are offered with specializations in Business Administration, Industrial Administration, Administration of Information Systems, and Economic Engineering.

Student Body

Master's students are drawn principally from undergraduate programs at the same university. These in turn are drawn from the better private secondary schools. Classes are small and only a small number complete each year. Study is part-time in the evening and many students work during the day.

Admission Standards

Applicants must have a licenciatura degree with grade average of 1.5 on a scale of 3. An application form, with two photos and identification card are required. Undergraduate work must have included two semesters each of accounting, economics, mathematics, and one of information systems. If the applicant has not had these courses, he/she must take propaedeutic courses for one credit each in Financial Accounting, Fundamentals of Economics, Quantitative Methods, and Information Systems. These are taken from January through March.

Graduation Standards

Graduation requires satisfactory completion of 37 credits and the presentation and defense of a thesis. Each course carries 3 credits, except for the propaedeutic courses. Six basic or core subjects and a specialization of 5 courses are needed. Elective courses may fill out the total requirement.

### System of Instruction

The school is on the trimester system, with no more than two regular courses permitted to be taken in any one trimester. The classes start at 6:30 pm and run till 10:20 pm. Mixed methods of instruction are used, including lectures and discussion, reading assignments, reports, simulations, and practical work. The case method is not featured.

### Costs

Total costs of tuition, books, materials, matriculation fee, etc., equals approximately \$4,500.

### Faculty

Approximately 40 percent of the faculty have Master's degrees and the rest hold the licenciatura in a relevant field. Instructors are part-time, and a number teach at the University of Panama as well.

### Facilities

The teaching facilities are very good, including a suitable computer room. The library of the university is considered one of the best in Panama. There is particularly good coverage of bank management and operation.

### Extra-Area Linkages

None

### Courses

Basic Courses: Managerial Accounting, Statistical Methods, Financial Management, Economic Theory I and II (Macro and Micro), and Marketing Management.

Business Specialization: Theory and Analysis of the Organization, Administration of Human Resources, Operations Management, Business Policy, and an elective.

Industrial Administration: Human Behavior and its Practice in Administration, Planning and Budgeting Control, Industrial Relations and Labor Problems, Industrial Systems, and an elective.

Administration of Information Systems: Design and Application of Information Systems, Design and Administration of Data Processing, Management Information Systems, Computer Technology, and an elective.

Economic Engineering: Economic and Industrial Development of Panama, Economic Engineering I and II, Managerial Economics, and an elective.

Electives: Administration of Commercial Banks, Administration of Human Resources, Human Behavior and its Administrative Practice, Economic and Industrial Development of Panama, Planning and Control of Production, Business Policy, Industrial Relations and Labor Problems, Advanced Information Systems, Management Information Systems, and Advanced Financial Theory.

UNIVERSIDAD RAFAEL LANDIVAR  
Guatemala City, Guatemala

Program Origins

The Universidad Rafael Landivar was created in 1962 as a Jesuit institution. It currently enrolls between 6,000 and 7,000 students at an excellent campus on the outskirts of the city. The graduate program in business was created in the Faculty of Engineering in 1974 as a Master's degree in Industrial Administration. The program is considered a "capstone" program for engineers and architects who have no management background, or who want to prepare themselves to start their own enterprises.

Degree Offered

A Master of Industrial Administration degree is offered.

Student Body

About 100 students are admitted each year, and this drops to less than half that number in the second year. Normally about 15 graduate each year. At any one time, total enrollment is around 150 students.

Admission Standards

Applicants must have a university degree with specialties in Engineering, Business Administration, Marketing, Economics, Public Accounting and Auditing, or Architecture. Persons with other specialties may be required to undertake preparatory work prior to or along with graduate study, as may be determined at the time of application. The usual documentation is required as well as appropriate transcript. No entrance examination is prescribed. The first four courses are considered equalization courses. Two courses in quantitative methods, one in operations administration and one in managerial accounting are involved.

Graduation Standards

The program consists of 6 tool courses, 8 functional courses, 4 environmental courses, and 2 integration courses. All are 3 credits each and must be completed satisfactorily for graduation, a total of 60 credits. Five courses have 1 credit of practical work along with 2 credits of theoretical study. Each course has its own examinations. There is no general examination and no thesis.

### System of Instruction

A mixed methodology is used with lectures, individual and group exercises, case studies, and investigations in one's own organization. The lecture method is heavily used in some areas and the case method in others. Two courses are offered between 6:30 pm and 9:15 pm Mondays, Wednesdays, and Fridays, each lasting 75 minutes. There are ten trimesters of study, each 9 and 1/2 weeks long. Thus the entire program extends to about 30 months.

### Costs

There is a Q 50 matriculation fee and a tuition charge of Q 240 per trimester. This totals approximately \$ 1,000.

### Faculty

Currently there are twenty part-time professors, all paid by the hour. All have either an engineering degree or the licenciatura, these being generally equivalent, and two have Master's degrees in Business Administration from INCAE. Meetings with students are by appointment or after class.

### Facilities

Classrooms are conventional ones used for undergraduates as well and are considered adequate. The library is small and greatly in need of journals. A university computer center is used, but it is shared with undergraduates and is much too small. It must be considered inadequate.

### Extra-Area Linkages

The program was founded with assistance from the Virginia Polytechnic Institute and State University in determining curriculum content and methodology. This was one-time assistance, and no permanent linkages were established.

### Courses

Tool courses are: Quantitative Methods I\* and II, Administrative Economics (micro-level)\*, Managerial Accounting, and Data Processing\*.

Functional courses: Financial Administration I and II, Marketing Administration I and II, Operations Administration I and II (production), Organizational Behavior I\* and II.

Environment courses: Macroeconomics, International Trade, Business Law, and The Enterprise and Society (the national society

of Guatemala).

Integration courses: Business Strategy, and Management Information Systems\*.

\* Courses with practical component.

UNIVERSIDAD CENTROAMERICANA "JOSE SIMEON CANAS"  
San Salvador, El Salvador

Program Origins

The Universidad Centroamericana "José Simeón Cañas" was created in 1974 and in a relatively short period of time established itself as a serious and rigorous higher education institution. Initially it enjoyed considerable support from the business community, but today it is a university belonging to and operated by the Jesuit religious order. It has a current enrollment of between 7,000 and 8,000 students.

The graduate degree in business administration was initiated in 1987. It was intended to be a strong degree which would make it unnecessary for persons wishing to prepare for high level enterprise management positions to go abroad to study.

Degree Offered

The program offers a Master in Administration and Direction of Businesses (Master en Administración y Dirección de Empresas).

Student Body

When the program was opened in 1987, 140 persons applied, 80 were admitted. The first year has now been completed and there are 40 students who have continued into the second year. In the meantime, a new group of 80 has begun the first year. About half of the entering students have been individuals with engineering degrees, between 20 and 30 percent have been persons holding administrative positions in business or government, and the remainder is quite a varied group in terms of background. Virtually all the students work and attend the university at night.

Admission Standards

To be admitted to the program, each person must possess a university degree (the licenciatura or equivalent), be able to read English texts, pass an admission examination (a translated version of the Graduate Management Aptitude Test or GMAT), have the time and will to undertake the program, accept the conditions, work methods, and examinations or evaluations deemed necessary, and pay a matriculation fee of C 125 (\$25). Upon admission, the students are individually evaluated in consultation with faculty and a program of study is worked out. People well prepared in a particular area may be excused from taking courses in that sub-

ject and undertake more electives. In this manner, a "leveling" of the entering students is achieved.

### Graduation Standards

The program involves three years of study. Sixty academic credits is the minimum requirement for graduation. The student must complete all courses in his/her plan of study, and if 60 credits have not been attained, additional elective courses must be taken. A cumulative grade point average of seven on a scale of ten must be obtained.

### System of Instruction

The methodology is a mixture of lectures, group discussions, case study, laboratory exercises, individual projects, and computer simulations. Written examinations are given during and at the end of each course, and the student is evaluated not only on these but also on class participation, laboratory work, and attitude. Classes meet from 6:00 pm to 8:30 pm Monday through Friday, and attendance is required. The length of the courses will vary depending on the subject matter and faculty availability.

### Costs

In addition to the \$25 matriculation fee, the student must pay an annual tuition charge of C 4,300 (\$860). This is paid in monthly installments of approximately \$80.

### Faculty

At present there are 24 listed faculty members of which two are full time. Others are drawn from the community or come from Spain, for the university has a collaborative relationship with the Higher School of Administration and Direction of Businesses (ESADE) in Barcelona, Spain. Five of the faculty, including the rector, have doctorates; seventeen have Master's degrees, many earned in Spain; and the remaining two have the licenciatura and one of these also has an engineering degree.

### Facilities

In general, the campus of the Universidad Centroamericana "José Simeón Cañas" is excellent. The library is large, by standards of the region, with over 75,000 volumes, and the computer facility is quite adequate. The classrooms for the graduate program leave a great deal to be desired, however. Although there are special rooms, they are poorly furnished for graduate study.

### Extra-Area Linkages

The principal and very important linkage is with the Higher School of Administration and Direction of Businesses, a Jesuit institution in Barcelona, Spain, from which faculty are drawn on a regular basis. Students have the possibility of participating in an interchange by attending a four-month program in Barcelona.

### Courses

The first year's courses include: Introduction to Information Systems, Economics of the Firm, Fundamentals of Quantitative Methods, Financial Accounting and Finance, Principles of Marketing, Operations Research, Market Research, the Economic Environment of Business, and Managerial Control.

The second year's courses are: Administrative Behavior, Business Policy I, Supervision of Marketing, Short-Term Financial Management, Psychology of the Enterprise, Management of Production and Technology, Long-Term Financial Management, History of Socio-Economic Thought, Personnel Management and Industrial Relations.

The third year's courses are: Business Policy II, Group Dynamics, Economic and Social Analysis for Management, Management Communication, and three electives.

Elective courses include: Management of the Small and Medium Enterprise, International Finance, International Marketing, Project Administration, Analysis of Time Series and Econometrics, Management of Banking Enterprises, Management Control, Management of Agro-Industrial Enterprises, Integrating Seminar, and others.

### Special Note

The university has developed the reputation in Central America of being highly politicized toward the left, with an emphasis on the "Liberation Theology" view of world and national economics. This is clearly reflected in the publications of the institution.

UNIVERSIDAD TECNOLÓGICA CENTROAMERICANA  
Tegucigalpa, Honduras

Program Origins

The program and the university itself were created in August of 1987. A group of ten professional persons, led by the present rector, Dr. Benjamin Villanueva (Ph.D. in Economics, Univ. of Wisconsin), organized the university. They obtained approval for it and its programs from the University Council of the National Autonomous University of Honduras in December, 1986. The group of ten donate their time without salary. Basically, the university is a business school, which initially enrolled 70 students and now has 230.

Degrees Offered

Master's degrees are offered in Finance, Marketing, and Human Resource Management. The latter is new in 1988.

Student Body

Thirty-eight students enrolled in the initial programs of Finance and Marketing.

Admission Standards

Applicants must possess a university degree and present a transcript of their studies, together with birth certificate or residence or identity certificate, and four passport-size photographs. They must also fill out the application form, present a curriculum vitae, and pay the matriculation fee. No examination is required, but all must take four propaedeutic courses of 40 hours each in mathematics, general administration, managerial accounting, and managerial economics. These do not carry credit for graduation.

Graduation Standards

Each of the three fields in which the Master's degree may be earned consists of twelve courses, each of 60 hours, and providing 4 credits. Thus 48 credits must be satisfactorily completed. The final course in each specialization is a project of business creation involving development of an entrepreneurial spirit. There is no final examination.

System of Instruction

Mixed methods of instruction include lectures, case studies,

simulations, individual projects, and analysis of live cases where possible. Classes meet five times a week from 5:00 pm to 8:30 pm or 9:00 pm for a total of 18 hours a week. Each class lasts for three weeks and three must be completed each semester over a period of 4 semesters, all this in addition to the 120 hours of propaedeutic work. The total program covers a period of 18 months.

### Costs

Total cost of the entire Master's program is \$3,550. Matriculation fee is L 375, monthly tuition charge is L 375 for 15 months, and graduation fee is L 1100, for a total of L 7,100. This is likely to be increased.

### Faculty

There are currently 22 professors paid by the hour. Five have a Master's degree and the rest have the licenciatura. Only the rector has a Ph.D. Student access is by consultation hours and appointment.

### Facilities

Classrooms are poor and crowded and lack adequate furnishings for a Master's program. The library is just getting started and the limited computer facility is recognized as inadequate. A new campus and better facilities are planned.

### Extra-Area Linkages

Help in curriculum development and in teaching some courses has been obtained from the Monterrey Institute of Technology in Mexico.

### Courses

In Finance: Study of Financial Statements, Information Systems for Decision Making, Mathematics and Calculus, Financial Administration I and II (Investments and Financing), Informatics Applied to Administration, Fiscal and Mercantile Law, Public and International Finance, Budgeting and Control of Operations, Formulation and Evaluation of Investment Projects, Strategic Financial Planning, and Business Creation Project.

In Marketing: Marketing, Statistical Analysis and Decision Making, Analysis of Consumer Behavior, Informatics Applied to Administration, Market Research, Advanced Sales Management, Financial Management in Merchandising, Merchandising Policy, Commercial Publicity and Support, International Marketing, Seminar on Strategy and Marketing Plan, and Business Creation Project.

In Human Resource Management: Human Behavior and Organization Development within Organizations; Statistical Analysis and Decision Making; Personnel Administration; Labor and Social Security Law; Informatics Applied to Administration; Analysis and Design of Administrative Structures and Procedures; Safety, Occupational Health, Productivity and Industrial Quality; Salary Administration, Salaries and Compensation; Diagnosis and Auditing of Organizations; Strategic Planning and Human Resource Development and Organization Development; Seminar on Labor Unions and Negotiating Skills; and Business Creation Project.

UNIVERSIDAD NACIONAL AUTONOMA DE HONDURAS  
Tegucigalpa, Honduras

Program Origins

The National Autonomous University of Honduras is the principal university of the country. It is state supported. The Faculty of Economics has had a large business program at the undergraduate level for many years. The graduate program leading to the Master's degree in Business Administration was initiated in 1985 with assistance from the Instituto Tecnológico de Monterrey, in Mexico.

Degree Offered

The degree is the Master of Business Administration.

Student Body

Approximately 35 people are enrolled in a program lasting 18 months on a part-time basis. These include both students who have completed the Faculty's undergraduate program and faculty members who do not have advanced degrees. Around 20 faculty persons have taken the Master's program to prepare themselves to conduct a comparable program at the University's campus in San Pedro Sula.

Admission Requirements

Applicants must have completed an undergraduate degree. For those with inadequate backgrounds, five propaedeutic courses are offered in quantitative methods, economics, and accounting.

Graduation Requirements

The Master's program consists of 14 courses which must be completed satisfactorily for graduation.

System of Instruction

Lectures and discussion, case studies, simulations, and other exercises are used. Courses are conducted in modules lasting 45 days during which there are 15 days of instruction, beginning at 3:00 pm and lasting until 9:00 pm. Each course consists of 20 sessions of 2 hours each.

### Costs

Total cost is \$2,500, plus \$300 if the propaedeutic courses are taken.

### Faculty

Faculty all have at least the Master's degree, including those from the Monterrey Institute of Technology.

### Facilities

A special section of the Economics Faculty building has been set aside for the program. Classrooms are good. Computer facilities are available. There is need for a greatly expanded library.

### Extra-Area Linkages

The Monterrey Institute of Technology, supported by the U.S. Agency for International Development, has been working closely with the program and people from the Institute have taught many of the courses.

### Courses

A list of courses was not available. However, the program is known to stress quantitative methods and financial management, with emphasis on budgeting and control. (Owing to a lack of water on the campus, the university was closed during the consultant's visit, and the dean of the program was out of the country.)

UNIVERSIDAD INTERAMERICANA DE PUERTO RICO  
San José, Costa Rica

Program Origins

The Inter-American University of Puerto Rico was founded in 1912 in San Germán, Puerto Rico, as a private Christian non-denominational institution. It has grown greatly in recent years and has a major campus in the San Juan area as well as at other locations in Puerto Rico. The total student body numbers 40,000. The institution is accredited in the United States by the Middle States Association of Colleges and Secondary Schools.

A graduate program in business was inaugurated in San José, Costa Rica in 1986, reportedly in response to an invitation by the then President of Costa Rica. Initially, a linkage was created with the Instituto Tecnológico de Administración de Empresas (ITAE) of Costa Rica, whose facilities were used for instruction. However, that arrangement did not endure, and the Universidad Interamericana now has a location of its own not far from the University of Costa Rica.

Degree Offered

The degree offered is the Master of Business Administration or MBA.

Student Body

Students are employed persons wishing to complete graduate study to improve their career possibilities. There are 112 at present, of which 42 are enrolled in the beginning term.

Admission Standards

An applicant must present proof of having earned an undergraduate degree in any discipline, but must have at least 6 credits in each of three course areas: economics, statistics, and accounting. Applicants lacking these studies must take make-up courses. The applicants must have earned a grade point average of at least 7.5 on a scale of 10 during the last 60 credits of undergraduate work. Two letters of recommendation, one of a professional nature, must be presented, together with a completed application form and two passport photos.

### Graduation Standards

A total of 42 credit hours is required for graduation. A thesis is optional. Each regular course carries 3 credits. There are both core or required basic courses and concentration courses to be completed for graduation. There is a final comprehensive examination.

### System of Instruction

A mixed system is used, involving lecture and discussion, case study, individual assignments, simulation, and so on. Courses are taught on a trimester basis, with a course meeting 2 hours twice a week for 3 months. Hours are from 6:00 pm till 10:00 pm.

### Costs

Tuition is currently \$106 per credit, plus various fees. The total for the degree is around \$4,800.

### Faculty

Currently there are 16 faculty, all with the Master's degree and 2 with the Ph.D. One is full time, as is the director, who does not teach.

### Facilities

The school has a building which it has renovated for classrooms and offices, but it is as yet only partially furnished. Classes are still conducted at ITAE, and the latter's library is still being used. A computer center is not yet established, but is planned. There will be a computer link-up with the university's home library in Puerto Rico, which has 800,000 volumes. However, some library collection will have to be developed in Costa Rica.

### Extra-Area Linkages

The principal linkage is to the home campus in Puerto Rico. The home campus has various linkages in the United States and in Mexico and the Dominican Republic. Most are not in the business field, however.

### Courses

Required Courses: Managerial Economics, Managerial Accounting, Information Systems for Management, Public Policy with Regard to Business, Marketing Management, Organizational Theory and Behavior, Managerial Finance I, and Business Strategy.

Concentration in Finance: (Twelve credits required for this concentration) Managerial Finance II, and Investments are required courses. Six additional credits may be earned in Public Finance and Fiscal Policy, International Finance, Monetary Theory and Policy, Financial Markets, and Seminar in Finance.

Concentration in Marketing: (Twelve credits required for this concentration) Strategic Marketing is required. Nine credits must be earned in Market Research, Communication in Marketing, Sales Analysis and Projection, International Marketing, Advertising Management, and Seminar in Marketing.

Electives: (Six credits required) International Commerce, Quantitative Methods for Decision Making, Entrepreneurial Seminar, Seminar of the Institute of Small Business, and Thesis.

UNIVERSIDAD TECNOLÓGICA  
San Salvador, El Salvador

Program Origins

The Technological University of El Salvador was created in the 1970's and now has about 4,000 students. Business studies at the graduate level were begun in 1986 with programs in Financial Administration and Marketing. Some 22 people graduated in Financial Administration early this year, and a group of 12 will complete the Marketing program in July. A program in Business Administration, as such, was initiated early in 1988 and currently has 52 students.

Degree Offered

The degree is called a Maestría en Administración, or Master's in Administration.

Student Body

There are now 52 enrolled in the Master's in Administration program. More than half the students are graduates in engineering. The program is viewed in a sense as a "capstone" program for persons in various technical professions who find themselves in managerial or administrative roles for which they have not been prepared. It is also viewed as a course to help persons who are ready to embark on their own enterprise development but lack a management foundation to do this.

Admission Standards

For admission, a licenciatura or equivalent undergraduate degree is required. An application form, together with transcripts, is all that is needed. There is no entrance examination. For students with no background in administration, a course in the Theory of Administration is offered Saturday afternoons. No fee is charged for this course.

Graduation Standards

The program consists of five trimesters of work over a 15 month period. Six contact hours a week are required, with instruction in the late afternoon. Directed individual and group study is also required. Performance in each class is evaluated, and a final project is required. This graduation project involves a written report based on analysis of a practical business management problem.

### System of Instruction

The methods are highly varied and individualized, with personal and group projects, case studies, lectures and discussions, and practical work with computers. Field work and other activities may be performed outside the classroom. The work is designed to be highly practical but with solid theoretical foundation.

### Costs

The tuition charge is 300 colones a month. Thus the total cost of a fifteen-month program is \$900. This cost does not include bibliographic materials.

### Faculty

The director of the Master's program is an economist with a Master's degree from Yale University. The other faculty members must have a Master's degree or a licenciatura and extensive experience in their areas of specialization. They are locally recruited from the business and governmental community.

### Facilities

There is one specially furnished, air-conditioned classroom for the graduate program. The university library has about 10,000 books, and the business collection is very limited. A new computer facility has about 20 computers of the PC type.

### Extra-Area Linkages

None.

### Courses

Courses are grouped in four categories. In basic sciences are included Managerial Economics, the Business Environment, and a Practical Work course. A second group is called administrative sciences and includes Systems of Production, Financial Strategies, and a Practical Work course. Specialization courses include: Human Development, Management Information Systems, Marketing Management, Business Creation, Export Techniques, and two Practical Work courses. There is a final Graduation Seminar. The practical work courses seek to deal with problems on an interdisciplinary basis. Work on the graduation project is coordinated through the Graduation Seminar.

NOVA UNIVERSITY  
Panama City, Panama

Program Origins

NOVA University, of Ft. Lauderdale, Florida, has operated a Master of Business Administration program in Panama for a number of years. NOVA University is accredited by the Southern Association of Colleges and Schools, and degrees are awarded by the home university in Florida.

Degree Offered

The Master of Business Administration (MBA) degree is offered.

Student Body

The student body is small, and sessions normally enroll from 20 to 30 students. These are professional people, many with employment related to the Panama Canal or the U.S. military presence. Panamanians enroll along with Americans, but they must have a good command of English, as that is the language of instruction.

Admission Standards

Applicants must have a Bachelor's degree or the licenciatura with at least 3 credits each in statistics, economics, accounting, marketing, sociology, and psychology. The TOEFL (English) test must be taken and a score of 550 achieved. An application form, transcripts, and a \$25 application fee are required.

Graduation Standards

Forty credits are required for graduation. This involves 12 courses of 3 credits each and a thesis or seminar/workshop project for 4 credits. Maintenance of a "B" average is required.

System of Instruction

NOVA operates on the basis of four-month terms. A student can take only two courses in any four-month period. Each course consists of 10 sessions programmed on Fridays and Saturdays of the third weekend of each month. Students are expected to prepare for the sessions by extensive reading in the intervals between them. On Fridays, one class begins at 5:30 pm and runs till 8:00 pm. Another class follows from 8:00 pm until 10:30 pm. The

Saturday schedule runs from 8:30 am till 12:30 pm (two sessions per course) and from 1:30 pm until 5:30 pm (also two sessions per course). This type of intensive weekend program is commonly used by NOVA University in the United States.

Instruction is reported by those who have attended to be almost entirely by the lecture and discussion method. Some case studies are used.

### Costs

Cost of the program is approximately \$6,600. There is a charge of \$115 per credit, a bibliographic charge of \$150 per course, and a course matriculation fee of \$20 each. Students may pay 50 percent at the beginning of each course and the remainder before the course ends.

### Faculty

Approximately 40 percent of the faculty travel from the United States for the intensive weekend. The remainder of the faculty is Panamanian or persons living in Panama. A Master's degree or better is required of all teachers.

### Facilities

Classroom and other facilities are rented or borrowed. The Panama Center (former Zonal administration building) is used, as well as the facilities at Colegio LaSalle, a secondary school. Library resources are minimal but there is a computer room.

### Extra-Area Linkages

The only linkage is to home campus in Ft. Lauderdale, Florida.

### Courses

Political and Legal Environment of Organizations, Development and Conduct of Organizations, Management of Human Resources, Management of Quantitative Methods, Economic Management for Decision Making, Management Accounting, Marketing Management, Financial Management, Business Policy, Master's Project, Workshop on Operations Research, and Workshop on Productivity Improvement.

ANNEX B

INTERVIEW LIST

Costa Rica

Betsy Adair, U.S. Information Service, San José

Antonio Albro, Professor of Economics, Colegio Latino, Universidad Autónoma de Centro América, San José

Luis Claramunt, Member of the Cámara de Representantes de Casas Extranjeras, and Professor, Universidad Autónoma de Centro América, San José

Jorge Corrales Quesada, Economist, Universidad Autónoma de Centro América, San José

Benito Cobb, External Affairs, Instituto Centroamericano de Administración de Empresas (INCAE), Alajuela

Melville Copen, Rector, Instituto Centroamericano de Administración de Empresas (INCAE), Alajuela

Patrick Duddy, U.S. Cultural Attaché, San José

Luis Gamboa A., Vice President, American Sanitary Co. S.A. San José

Samuel Giberga L., President, Olympic Fibers, S.A. San José

Wilburg Jiménez Castro, formerly Dean and now Professor of Economics, University of Costa Rica, San José

Alberto di Mare, Rector, Universidad Autónoma de Centro América, San José

Carlos Marín, Chancellor, National University of San Diego, San José

Tom McKee, Education Officer, USAID, San José

Tomas Miller Sanabria, Vice Dean, Studium Generale Costarricense, Universidad Autónoma de Centro América, San José

Fernando Ramirez, Research Coordinator, National University of San Diego, San José

Jorge Rodriguez Sáenz, Consiliario de Administración, Universidad Autónoma de Centro América, San José

William J. Salom, Director/Decano, Universidad Interamericana de Puerto Rico, San José

Carlos Sequeira, Director of the MBA Program, INCAE, Alajuela

Jorge Woodbridge, President, Cámara de Industrias, San José

Clara Zomer, Manager, PROCAP, Coalición Costarricense de Inicativas de Desarrollo, (CINDE), San José

#### El Salvador

Claude Boyd, Education Division, USAID, San Salvador

José Enrique Burgos Martínez, Attorney for the Universidad Tecnológica, San Salvador

Eduardo Castaneda, Executive Director, Fundación Empresarial para el Desarrollo Educativo (FEPADE), San Salvador

Ignacio Ellacuría, Rector, Universidad Centroamericana "José Simeón Cañas", San Salvador

Leo Garza, Director of Education and Training Division, USAID, San Salvador

Amado Gavidia Hidalgo, former Minister of Finance, Government of El Salvador, San Salvador

Ana de Guth, Project Manager, USAID, San Salvador

Ricardo R. Lopez Batista, President, Unión de Dirigentes de Empresas Salvadoreñas, San Salvador

José Mauricio Loucel, Rector, Universidad Tecnológica, and Businessman, San Salvador

Angela de Loucel, Coordinator of Master's Unit, Universidad Tecnológica, San Salvador

Ricardo Montenegro, Director, Cámara de Comercio e Industria, San Salvador

Eduardo Nuñez, Director, Fundación Salvadoreña de Desarrollo Económico y Social (FUSADES), San Salvador

Roberto Ortiz Avalos, Executive Director, Asociación Salvadoreña de Industriales, San Salvador

Rafael Antonio Parada, Graduate Program in Business Administration, Universidad Centroamericana "José Simeón Cañas", San Salvador

Rafael Rodríguez Loucel, Director of Master's Program, Universidad Tecnológica, San Salvador

Eugene C. Santoro, Cultural Affairs Officer, American Embassy, San Salvador

Ray San Giovanni, Training Advisor, USAID, San Salvador

Bastien Schouten, Deputy Director, USAID, San Salvador

Ricardo F. Siman, First Vice President, Cámara de Comercio e Industria, San Salvador

#### Guatemala

Liliana Ayalde, Education Officer, USAID, Guatemala

Manuel Ayau, Rector, Universidad Francisco Marroquín and President of FABRIGAS, Guatemala

Richard Burke, Program Officer, USAID, Guatemala

Otto Ernesto Becker, General Manager, Cámara Empresarial de Guatemala, Guatemala

Roger L. Cowan, Director, Department of Business Administration, Universidad Francisco Marroquín, Guatemala

Nadine Hogan, Director, Regional Office for Central American Programs (ROCAP), Guatemala

Joe Kelly, Coordinator, Central American Peace Scholarship Program, Regional Office for Central American Programs (ROCAP), Guatemala

Jorge Lavarreda Grotewold, Director, Master of Industrial Administration Program, Universidad Rafael Landívar, Guatemala

Henry Lewin, Director, Faculty of Economics, Universidad Rafael Landívar, Guatemala

Guillermo Matta Ovalle, Private Sector Office, USAID, Guatemala

Luis Móvil, Manager, ESSO of Guatemala, Guatemala

Marco Ricardo Polo, Manager, Cámara de Comercio, Guatemala

Roderigo Segura, Rector, San Carlos University, Guatemala

Adam Praun Tarnowski, Director, Cámara Empresarial de Guatemala, and formerly with Peat, Marwick of Guatemala, Guatemala

Fritz Thomas, Faculty of Economics, Universidad Francisco Marroquín, Guatemala

#### Honduras

José Luis Aguirre, Director of Administration and Finance, Consejo Asesor para el Desarrollo de Recursos Humanos de Honduras (CADERH), and businessman, Tegucigalpa

Guillermo Bueso, Executive Vice President and General Manager, Banco Atlántida, S.A., Tegucigalpa

Albertina Centeno, Training Division, USAID, Tegucigalpa

César A. Gonzáles, Executive Director, INCAE Office, Tegucigalpa

Armando Medina, Technical Director, Consejo Asesor para el Desarrollo de Recursos Humanos de Honduras (CADERH), Tegucigalpa

Tony Vollbrecht, USAID, Tegucigalpa

Jorge E. Mejía Ortega, General Manager, Cámara de Comercio e Industrias de Tegucigalpa

Julia Janeth Peralta C., Chief, Department of Training and Scholarships, Cámara de Comercio e Industrias de Tegucigalpa

Benjamin Villanueva, Rector, Universidad Tecnológica Centroamericana, Tegucigalpa

## Panama

Allen Broehl, USAID, Panama

Extensive use was made of a document entitled "Análisis de las Posibilidades de la Implantación de un Programa de MBA de la Universidad de Panamá". This document was the Final Graduation Project of Guillermo J. Padilla, a Panamanian student who completed the MBA degree at National University of San Diego in San José, Costa Rica.

INCAE in Costa Rica was also able to supply considerable information on Panamanian programs as a result of a recent study the Institute had made.