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THE DEMAND FOR TRAINING  
AND THE CAPACITY OF INSTITUTIONS TO  
DELIVER VOCATIONAL/TECHNICAL TRAINING  
IN NICARAGUA

Volume One

Creative Associates International, Inc.

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**VOLUME ONE  
ASSESSMENT**

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## ACRONYMS

BID	Interamerican Development Bank
CADIN	Camara de Industrias de Nicaragua
CCC	Confederacion de Camaras de Comercio de Nicaragua
CNC	Camara Nicaraguense de la Construcion
CONAPI	Camara Nacional de la Mediana y Pequena Industrias
CONAPRO	Confederacion de Asociaciones Profesionales de Nicaragua
COSEP	Consejo Superior de la Empresa Privada
CORNAF	Corporacion Nacional del Pueblo
FUNDE	Fundacion Nicaraguense de Desarrollo
INCAE	Instituto Centroamericano de Administracion de Empresas
INEC	Instituto Nacional de Estadisticas y Censos
INIESEP	Instituto Nicaraguense de Investigaciones Economicas y Sociales de la Empresa Privada
INIFOM	Instituto de Fomento Municipal
INDE	Instituto Nicaraguense de Desarrollo
MED	Ministry of Education
MOL	Ministry of Labor
OIM	International Migration Organization
OIT	Organizacion Internacional de Trabajo
SIF	Social Investment Fund
SINACAP	Sistema Nacional de Capacitacion
PNUD	United Nations Development Program

**THE DEMAND FOR TRAINING AND THE CAPACITY OF INSTITUTIONS  
TO DELIVER VOCATIONAL/TECHNICAL TRAINING IN NICARAGUA**

**EXECUTIVE SUMMARY**

1. The overall objective of this report is to examine training needs and to assess the ability of training institutions to deliver training in response to these needs. To achieve this objective, the team studied the following issues:

- o The impact of economic constraints and the release of these constraints on changes in private sector employment needs and the supply of skills and labor;
- o Current and prospective private sector demand for skills training and other types of training for existing staff and new hires;
- o The capacity of existing training institutions to deliver vocational/technical training and other types of training, and to respond to changing training needs;
- o International donor efforts to address training needs in Nicaragua;
- o Recommendations and suggested priorities for USAID assistance to the training sector.

2. The assessment relied on formal survey instruments, interviews, and a review of statistical publications and public documents and studies. This information was supplemented by discussions with business owners, directors of training institutions, and key informants from government ministries and from the international community.

**Framework for the Assessment**

3. The assessment was guided by current thinking on the role of training in economic development. This model holds that vocational/technical skills training programs should be demand driven--responding to employers' changing demand for specific skills. Research indicates that employers prefer hiring unskilled but trainable workers rather than "qualified" workers at a higher wage cost. In either case, employers will have to provide new hires with job-specific and firm-specific training

through informal training programs in-house or through more structured programs in external institutions.

4. One important policy finding from this research is that the majority of vocational and technical skills training takes place during employment (inservice training) rather than prior to employment (preservice training). A second key policy finding is that *effective training policies should be driven by the demand for skills* from the private sector. A corollary to this finding is that the provision of occupation-specific skills to unemployed individuals will not provide them with employment *if there are no jobs available*. Training does not create the need to employ people. The need to employ skilled workers creates the need for training.

### **Labor Force**

5. Ten years of economic mismanagement and civil war has bankrupt the economy, greatly diminished the quality of the labor force, and resulted in massive unemployment and underemployment today (in the order of 30 to 40 percent). To make matters worse, with the demobilized soldiers and refugees entering the work force, unemployment is expected to increase. Many of these new unemployed have little formal education and few have any actual job experience. It is clear that vocational and technical training is not a solution to the grave predicament facing these unemployed. Other efforts, such as basic education, poverty relief programs, employment generation, and private credit systems would be more appropriate solutions.

### **Training Demand**

#### Current Demand

6. To assess the vocational/technical and other training needs of the private sector, a survey of 14 private firms--small, medium, and large--was undertaken in the agro-industrial, construction, and manufacturing sectors. This information was supplemented with input from a number of private sector associations, the Ministry of Labor, and CORNAP, the state agency which manages Nicaragua's parastatals.

7. *Firms do not report facing at this time any critical shortages of skilled, semi-skilled, craftspeople or technical labor.* Firms identified a lack of finances to purchase new equipment and machinery, and a stagnant economy as the two principal obstacles to business expansion. Lack of qualified personnel was not considered an obstacle by any of the private firms interviewed.

8. The abundance of skilled and semi-skilled technicians in the labor market, many of them unemployed has provided the private sector with an adequate supply of technicians to operate the equipment and to produce. This abundance of labor has also allowed firms to fill the few highly skilled positions opening up with skilled unemployed workers, rather than having to train or upgrade existing personnel or recruit graduates of structured vocational/technical institutions.

9. Most firms surveyed indicated that their current workforce, including their lowest level staff, have completed at least primary school, and many workers have more advanced levels of education. Very few of the skilled workers have ever received occupational skills training in a structured external training institution. Most skilled workers acquired their skills casually during employment.

10. In addition to the abundant supply of skilled labor available, firms cited several other reasons for not investing in structural or formal skills upgrading of staff: (a) the high opportunity cost of lost production while staff receives training; (b) the employer's belief that training is not valuable to the firm but is a vacation for the worker; (c) the employer's reluctance to provide training that may give their workers the skills to get better paid jobs elsewhere; (d) employer's lack of awareness of many of the courses offered by external training institution; and (e) employer's perception that most of the training provided by structured vocational training institutions is irrelevant to their needs and is of poor quality.

#### Future Demand

11. Private sector employers do expect their training needs in several technical areas to grow once their business begins to expand and is forced to compete in a more open market economy. The skill areas they anticipate needing are:

- o electrical-mechanics,
- o lathe operators, and
- o industrial equipment and maintenance repair workers.

The construction sector also anticipates that it will need additional skilled workers once investments are made to rebuild the Nicaraguan infrastructure and expand the stock of housing. Identified trades are in the areas of:

- o carpentry,
- o masonry,
- o plumbing,
- o electrical installation, and
- o construction machinery and equipment repair.

12. According to firms, the attitude and work habits of employees deteriorated under the previous government due, in part, to a government controlled economy that emphasized ideology over work performance. Employers indicated a need to improve the attitude and discipline of workers by integrating such training into their own training programs.

13. *Firms anticipate a greater need for training in management than in vocational/technical areas.* Again, firms do not anticipate needing this training until they begin to expand production and are forced to enter into a more competitive environment. The areas in which they intend to train are: export marketing; financial administration; computer systems; production systems management; and general administration. In addition, firms identified middle-management as a group of staff seriously in need of training in personnel management and human relations.

14. Employers indicated they would only use external institutions to provide vocational/technical and management training if they are:

- o responsive to their training needs,
- o of high quality,
- o affordable,
- o accessible locally throughout Nicaragua,
- o able to provide in-plant training, and
- o able to expand training opportunities during non-business hours.

### **Vocational/Technical Training Delivery Systems**

15. To assess the capacity of Nicaragua's principal training institutions, we conducted a study of the Ministry of Education (MED) vocational education programs--a formal, 3 to 6 year school-based training system for secondary students, aged 13-18, and SINACAP, the National System for Training--a non-formal, shorter-term delivery system for providing specific occupational skills for pre-employment or skills upgrading for the currently employed. In addition to these two major institutions, other, smaller providers of training are described, including private voluntary organizations (PVOs) and non government organizations (NGOs).

16. The two main training institutions, MED and SINACAP, are both beset with serious problems regarding their ability to respond to the training demands of the private sector, their quality of training, high trainee costs, and widespread underutilization.

## Ministry of Education Programs

17. The MED is the primary source of formal vocational/technical training. Training is provided in agriculture, industry, and commercial trades. MED training is provided on two levels. The first level (Tecnico Basico) consists of three years of basic vocational training following the sixth grade and prepares students for entering the job market as a lower level technician or for continuing studies for three additional years in the Tecnico Medio program. A graduate of the Tecnico Medio program has the option of seeking employment as a higher level technician or continuing studies at the university or post-secondary technical level.

18. MED schools had a total enrollment level of 9,330 students in 1990, but only about 10 percent of these are expected to graduate (from either basico or medio) based on historical trends.

19. The small percentage of graduates contributes to an extremely low rate of internal efficiency within the MED schools (efficiency measured as training costs per graduate). MED rates were less than 45 percent for most programs and as low as 16 percent for others. This compares with average regional rates in other Central American countries of 60 percent.

20. Directors of MED schools claim that placement rates of their graduates of the MED program range from 60% to 100% depending on the school of training. This information is highly speculative, however, since it was based on the memory of personnel from the training schools rather than from a systematic graduate tracking system.

21. Overall, the quality of training in the MED schools is considered low. This is the result of several factors: poor linkages with the private sector; poorly maintained and obsolete equipment; underpaid and poorly trained instructors; inadequate curricula and training materials; and inappropriate training methods.

## SINACAP

22. SINACAP, a government operated institution currently under the Ministry of Labor, provides two types of nonformal structured training: (1) job entry and skill upgrading training in four SINACAP training centers; and (2) in-plant, industry specific training for employers. This training is of shorter-duration than that provided by MED and is targeted mainly at adults, rather than youth, many of whom are school dropouts. In 1988, SINACAP trained over 10,000 individuals, of whom 73% were already employed.

23. SINACAP is guided by a 1986 law that is intended to make the institution responsive to the training needs of the private sector by establishing training councils, consisting of representatives from business, labor, and government, to set policy for the institution. The law also requires that the President appoint an Executive Director. The bylaws implementing this legislation have never been written, however.

24. Financing for SINACAP is provided by employers from a 2 percent payroll tax on gross salaries. Most countries in Latin America finance their non-formal vocational training institutions in this manner. While SINACAP should be receiving approximately \$600,000 month from the tax, it is actually collecting 25-30 percent of this. As a result, SINACAP has come to rely on international donors during the past few years to finance some of its operational costs.

25. The combined 1990 enrollment level in all five training centers is less than 35 percent of the institution' capacity. This underutilization is caused by lack of income, inoperable training equipment, and a shortage of instructors in key areas.

26. The cost-effectiveness in SINACAP is relatively low due to a large central office staff and numerous administrative personnel who in some centers outnumber instructors. Placement rates were not obtainable as SINACAP, like the MED, does not track placement of its graduates.

27. The quality of training by SINACAP is affected by many of the same problems which the MED is experiencing: poor quality instructors; absence of linkages with the private sector; high training costs; and underutilization.

28. Unlike the MED, however, SINACAP has the potential to be a highly responsive and effective training institution because of the provisions of the 1986 law regarding establishment of a private sector represented advisory board and executive director, whom the President could appoint from within business community. In addition, SINACAP has the capacity to be self-financing from the 2 percent payroll tax if it were properly collected and monitored.

#### PVOs and NGOs

29. There are several PVOs which provide formal vocational/technical education to supplement the training provided by MED centers. These centers are operated by the Salesian Missions, Christian Brothers, Franciscans, and Companeros de las Americas. Among these, the Salesians are perhaps the best known and most highly regarded for providing high quality training and employability preparation in cost effective manner. In general, this is due to better, more

consistent financing, superior instruction and training materials, well maintained equipment, and stronger linkages with the business community. Consequently, placement rates at the Salesian schools appear to be higher than that achieved by the MED.

#### Donor Activities in the Area of Vocational/Technical Training

30. Vocational training activities did not emerge as a priority area during discussions with the donor community. Holland, Germany and the USSR have supported vocational education centers and programs in the past with materials, equipment and technical experts.

31. Germany and Holland continue to support or plan to support SINACAP through institutional strengthening programs, provision of materials and equipment, and technicians. The level of aid from Holland is yet to be determined since they are now negotiating an agreement.

32. Germany's assistance to SINACAP totaled \$5 million between 1982 and 1990, including \$1 million this year.

33. The Soviets are interested in continuing assistance to vocational training institutions with materials, equipment and technical experts but a lower funding levels than in the past.

#### **Conclusions**

1. The need for jobs and the need for training should be separated. Training does not create jobs; investments in training are most effective when they are demand-driven.
2. The number of unemployed (and underemployed), estimated at over one-third of the labor force, will increase dramatically in the next year as large numbers of demobilized military and returning expatriates enter the labor force. Establishing training programs for these individuals will not provide them with employment.
3. Employment generation programs represent a short-term mechanism for absorbing some of the unemployed until the government's economic programs take effect and market driven job expansion occurs. Employment projects aimed at rebuilding Nicaragua's infrastructure are considered especially attractive because they provide jobs, offer opportunities for training, and contribute to economic development needs.
4. Due to an abundance of skilled workers in the labor market, the private sector today is not confronted by any skill shortages. Technical training is expected to be needed in the future once production expands, and firms are forced to compete

in a more open economy. Firms also indicated that the need for training in management areas will be more critical to their success than training in vocational areas.

5. The MED schools suffer from inefficiencies due to excessive training costs and high dropout rates. Training quality is also low due to inoperable equipment, inappropriate training methods, poor instructors, and inadequate training materials. Significant amounts of technical assistance and substantial reforms will need to be made, if the MED schools are to become an effective provider of skilled workers.

6. SINACAP is also operating at low levels of efficiency. However, the framework exists, in the form of the 1986 law, for SINACAP to become a well financed, private sector oriented institution that can respond to the training needs of the business community effectively.

7. The PVO operated vocational schools provide an attractive training alternative to MED schools to meet the training needs of marginalized groups for whom other training programs might be ineffective and difficult to access.

8. Several donors are involved in assisting in vocational training, though this is not considered a priority area within their project portfolio. Germany, Holland and USSR have been the most involved to date in supporting vocational technical education through equipment materials, and technical experts.

## **Recommended Actions**

### Vocational/Technical Training

1. Condition future USAID assistance to the training sector on GON's implementation of the 1986 SINACAP law. The law provides for the creation of an autonomous institution and major involvement of the private sector in planning, overseeing, and monitoring training.

2. Design a project to assure that SINACAP makes the transition to an autonomous institution:

- o Develop a schedule of technical assistance to SINACAP for the first year.
- o Provide the Executive Director with a project advisor.
- o Provide technical experts to help the executive director design the organizational and programmatic components of a reoriented SINACAP.

- o Finance study tours of key personnel to review model training systems of the region, such as SENA in Columbia, and CADERH in Honduras.
3. Initiate, with other donors, a national training system investment fund to meet capital investments in the areas of equipment and facilities upgrading.
  4. Conduct a thorough evaluation of MED vocational/technical schools to determine appropriate strategies for support.
  5. Develop programs to support PVOs as alternative providers of vocational/technical training, especially in areas with high concentrations of unemployed youth, or areas not served well by existing training centers.
  6. Prior to building additional centers, upgrade equipment, tools and improve existing facilities (MED, SINACAP, and industrial education centers in primary and secondary schools).
  7. Establish equipment and facility maintenance programs for all training centers and trade areas to improve maintenance and care of training resources.
  8. Increase SINACAP utilization rate by expanding hours of training, and by providing a greater number of in-plant training programs.
  9. Develop national competency-based instruction system and trade certification program.
  10. Institute monitoring systems to evaluate placement rates and use this information to strengthen weak program areas. Train directors, supervisors and instructors to manage these systems.
  11. Introduce job placement services in all training centers to increase employment prospects.
  12. Based on demand, consider having SINACAP contract and manage additional nonformal training in MED and PVO centers.
  13. Develop a source of off-the-shelf training materials which can be used in generic trade areas by both formal and nonformal trainers.
  14. Review competitiveness of instructors' and directors' compensation in relation to comparably skilled workers in privately owned enterprises.

#### Private Sector Linkages

15. Seek employer and labor sector advice and collaboration for

improving production activities, defining training needs, and monitoring utilization of training. Suggested approaches:

- o Development of private sector councils made up of community leaders, employers, and the labor representatives at each center.
- o Establishment of employer response centers affiliated with each training center to work with employers to design appropriate vocational/technical programs, and ability to serve as brokers for management training programs provided by other locally based deliverers.
- o Expansion of programs to include apprenticeship training in places of employment.
- o Establishment of skilled worker/instructor exchange program to allow instructors to gain additional experience in technical areas and skilled workers to train in centers.

#### Management Training

16. Integrate management training into the national training strategy.

17. Consider expanding the number of management training programs offered to companies located outside Managua by giving regionally based Chambers of Commerce the capacity to provide this training.

18. Assess whether management training institutions are currently providing courses in the areas needed by the private sector, and adjust their curriculums accordingly.

#### Assistance to the Unemployed

19. Consider providing temporary relief to the growing unemployment through development of additional public works projects, similar in purpose to those being funded through the Social Emergency Fund.

20. To provide more sustainable relief, consider training programs in the areas of literacy/numeracy and basic employability to prepare workers for unskilled entry level positions once the economy begins to expand.

21. Consider providing qualified candidates with training vouchers so they can purchase vocational training from one of several alternative centers.

## INTRODUCTION

The main objective of this paper is to provide USAID/Nicaragua with an understanding and appreciation of the critical issues involved in the development of vocational and technical training and other human resources in Nicaragua today and in the near future. We have addressed this objective by

- (1) examining the economic environment and the **supply** of skills and labor to the economy;
- (2) assessing the private sector's current and projected **demand** for vocational skills training and other types of training;
- (3) surveying Nicaragua's training institutions and other training resources that can meet skills training needs;
- (4) analyzing the problems of fit between the types and delivery modes of vocational training and other types of training and suggesting ways in which this fit can be improved;
- (5) describing the role that the donor community is taking in addressing training needs;
- (6) offering recommendations for USAID assistance in the training sector.

### A Framework for Assessing Training Needs

The conventional role of manpower planning for training policy development. The conventional view in the development community is that manpower planners need to forecast the demand for different types of skills required for economic development and then vocational specialists are needed to design training programs to address potential skill shortages. Economists have long questioned the efficacy of this view, both on theoretical and practical grounds. Research and evaluation efforts strongly support economists in rejecting this view. First, manpower planners and manpower agencies in governments around the world have shown little success in forecasting which skills will be needed in the future--especially which specific skills. Second, *the supply of individuals with specific employment skills to the labor market does not create demand for these skills.* Finally, when graduates of training programs do not find jobs after training, their skills quickly decay.

During the last few years, in light of these research findings, major donor institutions such as the World Bank and

OECD have joined with economists in rejecting the conventional approach for all but a few occupations.<sup>1</sup> These are the occupations that are demographically driven, such as primary teachers and nurses; and those which require many years of advanced preparation, such as engineers and medical doctors.

Providing flexible training in response to demand. The current thinking on training policy holds that skills training programs should be demand driven--designed to respond to the needs of employers as their needs arise. During times of business expansion, employers will need to hire on new staff (that is, after current labor and capital produce at full capacity). Some openings will be for qualified workers with specific skills. These workers--who would need to be productive immediately--tend to be costly. Moreover, the more specialized the skills required, the more difficult it is to find individuals with these skills in the labor market, and the more costly they would be to employ. Given the variety of specific skills that may be required, the probability of finding workers whose skills match the employer's need is slight. Therefore, most employers prefer to hire less-expensive inexperienced or unqualified workers. Among these workers, employers prefer to hire those who are trainable--those with basic cognitive skills and appropriate workplace attitudes.

Of necessity, firms will provide these inexperienced or unqualified workers firm-specific task-related skills, whether they do this in a structured program (which is rare in developing countries or small businesses) or informally. As demand for skilled labor expands within the firm, this process of hiring unqualified workers and training them will be repeated. Moreover, when employers require their staff to have more advanced skills, or supervisory skills, they will seek structured training programs to offer them.

Key policy issues. There are two important policy issues to emerge from this research. The first is that the majority of vocational and technical skills training that is utilized takes place during employment (inservice training) rather than prior to employment (preservice training). The second policy finding is that *effective training policies should be driven by the demand for skills from the private sector (or from expanding public sector activity)*. Therefore, the provision of occupation-specific skills to unemployed individuals will not provide them with employment *if there are no jobs available*. The need to employ people creates the need for training.

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<sup>1</sup>C. Dougherty (1990); World Bank (1988); J. Middleton, et. al. (1990).

## **Four Objectives for Training Policy in Nicaragua**

First, education and training institutions should assure that individuals entering the workforce are employable. This means that they should have basic literacy and numeracy skills, and have an understanding of workplace ethic, responsibilities, and behaviors.

Second, local employers need to have good communication links with training institutions in order to best utilize them and to provide relevant specific skills training.

Third, external training institutions should respond to employer needs by being flexible in terms of duration of courses, scheduling, ease of access.

Fourth, training institutions should collaborate with businesses to design and conduct on-site apprenticeship training.

## **Organization of the Report**

Our assessment analyzes human resource issues by focusing on the supply and demand for skills in Nicaragua.

Chapter I: Economic Development and Training Needs, provides the economic background for the assessment. It examines economic constraints in Nicaragua and the effect of these constraints, as well as of political factors, on labor supply, labor quality, and private sector economic growth. The government's plan to stimulate the private sector is discussed in this chapter. This is followed by a general discussion of how training can assist in this process.

Chapter II: The Demand for Private Sector Training, surveys small, medium, and large enterprises in the agro-industrial sector, construction, and manufacturing sectors to assess private sector training needs in vocational/technical skills and in other skill areas.

Chapter III: In-Country Training Resources, examines the major providers of vocational and technical training in Nicaragua: the Ministry of Education, SINACAP, the NGOs and PVOs, and business sponsored training. These institutions are assessed for effectiveness and recommendations for improvements are made.

Chapter IV: Donor Activity, presents an overview of international donor efforts to address training needs in Nicaragua.

Chapter V: Conclusions, summarizes our key findings regarding problems in the training sector.

Chapter VI: Recommendations, provides direction for USAID assistance strategies.

Chapter VII: Priorities for USAID Assistance, suggests specific priorities for USAID programs.

## CHAPTER I: ECONOMIC DEVELOPMENT AND THE DEMAND FOR TRAINING

### 1. Current Economic Conditions

In April 1990, Nicaragua's new democratic government inherited one of the world's poorest functioning economies. GDP per capita in 1989 reached its lowest level since World War II.<sup>1</sup> In all Latin America, only Haiti and Bolivia have lower per capita GDP. External debt exceeds national output by a factor of five. Accumulated arrears on this debt amounted to more than US\$3 billion<sup>2</sup> in 1989, nearly twice Nicaragua's annual output, and 10 times gross export earnings for that.

### 2. Indicators of the Economic Decline in the 1980s

The dramatic economic and social crisis of today are a direct consequence of a decade of economic deterioration. Table 1 depicts this deterioration in numerical terms. Other indicators of the economic turmoil include a fiscal deficit more than half the size of GDP, a 15 percent annual decline in exports per capita, and a calamitous hyperinflation that increased by 9000 percent between 1988 and 1989.

Indicator	1960-1977	1980-1989
Real Wages	-0.4% per year	-34.7% per year
GDP per capita	3.0% per year	-5.0% per year
Inflation (CPI)	5.0% per year	158.0% per year

Source: World Bank estimates

The devastating social costs of economic deterioration. Needless to say, the impact of this devastation on the daily lives of Nicaraguans are not summarized in this table. An example of the cost borne by the average worker is the decline in real wages, which have declined an average of 37.3 percent per

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<sup>1</sup>Interamerican Development Bank, Annual Report, 1989.

<sup>2</sup>US(1990)\$300 million of these arrears are owed to multinational institutions and must be repaid before Nicaragua can be considered for the IMF/World Bank structural adjustment program.

year between 1980 and 1989.<sup>3</sup> Annual earnings of workers today are less than 10 percent in real terms compared to annual earnings a decade ago. Perhaps even more alarming is the finding that, according to a demographic study published in July of 1990, nearly 70 percent of the population in Nicaragua are affected by poverty,<sup>4</sup> with 23 percent of the national population living in conditions of extreme poverty.

All economic sectors are affected. Nearly every sector has been affected by the economic devastation. For example, agricultural production, the mainstay of the economy, is half of what it was a decade ago. Until this year, construction in Nicaragua was nearly at a standstill. The resulting deterioration in the physical infrastructure has exacerbated problems in other sectors, such as housing, electric generation, water supplies and sewerage, telecommunications, and roads. Over 6,000 private companies that were nationalized have been able to operate only because of the substantial subsidies supported by Central Bank printing of new currency.

### **3. Causes of the Macroeconomic Decline**

Economic mismanagement. The principal cause for the macroeconomic decline of the last decade was economic mismanagement. First, by allowing the public expenditures to grow unchecked for 10 years, and by financing the resultant fiscal deficit through the printing of paper money, the government converted a stable monetary system into a hyperinflationary one. In addition to fiscal mismanagement, the previous government's efforts to nationalize private industry, followed by poor management practices, led to additional financial losses by subsidizing these public enterprises. Controls over prices, exchange rates, and interest rates added to the economic distortions. Lacking real finances, Nicaragua's government allowed accumulated arrears on its outstanding international debt to grow to US\$ 3 billion, approximately US\$ 350 million of which are owed to multilateral institutions.

Lame duck policies of the previous government. As an added blow, the actions of the parting Sandinista government during its last two months in office included increasing the already swollen personnel rosters of the financial and nonfinancial public enterprises and increasing the wages of all public enterprise staff.

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<sup>3</sup>World Bank estimate.

<sup>4</sup>Organizacion Internacional para las Migraciones (OIM), *Estudio sobre las necesidades prioritarias de recursos humanos calificados en la Republica de Nicaragua*. July 31, 1990.

External shocks. In addition to fiscal and monetary mismanagement, the economic situation was worsened by ten years of costly civil war, the U.S. economic blockade, and natural disasters including a devastating hurricane (Hurricane Joan) and drought.

#### 4. Consequences of the Economic Decline on Labor Supply

Current status of the labor force. It is very difficult to obtain reliable labor force statistics. Table 2 demonstrates the inconsistencies in the reported figures. The only labor statistics that are minimally reliable are those that were not collected with the support of the government controlled census bureau (INEC), namely, INIESEP<sup>5</sup> data and OIM<sup>6</sup> reported data. For internal consistency in this report, we will continue to report OIM statistics, when available.

Indicator	1986 (INEC)	1986 (INIESEP)	1986 (OIM)	1985 (ESDENIC)
Total Population	3,384,444	3,384,400	3,272,000 <sup>a</sup>	3,294,199
Population age 10+	2,248,491	-		2,133,585
Economically Active	1,142,867	1,086,000	1,086,000	1,063,610
Participation Rate	50.8	-		49.9
Number Unemployed	25,743	238,920	240,006	169,533 <sup>b</sup>
Unemployment Rate	2.3%	22.0%	22.1%	16.0%

<sup>a</sup> Figure only reported for 1985.

<sup>b</sup> Figure includes open unemployed and equivalent unemployed.

Sources: INEC (the census bureau that has been Government controlled during the 1980s), INIESEP (a private research institution), OIM (the International Committee on Migration reporting data from the Secretary of Planning and Budget), and ESDENIC (a U.N. funded study conducted by INEC --see above). The bibliography gives full citations.

Current labor force statistics. Table 3 gives current labor force statistics reported by OIM from the office of the Secretary of Planning and Budget in the Government of Nicaragua. According to these figures, unemployment has increased from the 1986 rate of 22.1 percent to an alarmingly large 32.7 percent, although

<sup>5</sup> INIESEP Instituto Nicaraguense de Investigaciones Economicas y Sociales de la Empresa Privada (1987)

<sup>6</sup> OIM International Migration Organization (1990)

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this figure may count individuals who are underemployed (eg., workers with skills who are supporting themselves marginally in the informal sector).<sup>7</sup> While this information paints a bleak picture of family earnings, it is substantially worsened if we factor in the tremendous decline in real earnings (also in Table 3) for those remaining employed individuals. The table also shows that only 6 percent of the employed labor force uses professional or technical skills.

Indicator	Percent
Unemployment Rate <sup>a</sup>	32.7
Real Salaries (% of 1980 Salaries) <sup>a</sup>	7.8
Professional and Technical Occupations (percent) <sup>c</sup>	6.0
Percent of Employed in: <sup>b</sup>	
Manufacturing Industries	6.5
Smallholder Agriculture Employment	26.8
Service Industries	12.1

<sup>a</sup> OIM, p. 2 (unemployment figure may include underemployment).

<sup>b</sup> OIM, p. 10

<sup>c</sup> OIM, p. 68

Outmigration of skilled professionals in the 1980s. One of the reasons for the small share of highly skilled technical experts and professionals is that large numbers of them left the country during the Sandinista era. One estimate finds that 1,930 college professors left; 2,167 engineers and architects migrated; and 1,461 economists, accountants, and administrators left Nicaragua during these years.<sup>8</sup> Tens of thousands of professionals and advanced technicians left the country during this period--a very large number when one considers that Nicaraguan schools of higher education and polytechnic training

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<sup>7</sup>The Ministry of Labor (MOL), Office of the Director General, reports that the current unemployment rate is 12.1 percent and the underemployment rate is 34.4 percent, making a grand total of 46.5 percent under- and un-employment. The MOL admits that these are figures based on a 1985 census which have been updated annually using economic and demographic assumptions, and Ministry of Social Security information on formal sector employment and earnings.

<sup>8</sup>OIM, p. 85.

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can produce only about 2,000 graduates a year.<sup>9</sup>

General decline in labor force quality in the 1980s.

Perhaps one of the most lasting consequences of economic catastrophe of the 1980s is the decay in the quality of the labor force. At the professional level, tremendous numbers of business managers, accountants, bankers, and skilled technicians fled the country. At the craftsmen level, the decline in manufacturing, food processing, and construction has led to underemployment and resulted in a net depreciation of skills in the labor force. In several industries, outmigration of skilled craftsmen exacerbated the skill loss to the labor force. The decline in capital investment has also affected labor quality since the workers today are trained and skilled to work on less-efficient outmoded machinery.

Dramatic increases in unemployment in the near future.

All indicators point to the fact that, for the labor force, things will get much worse before they can improve. There are three reasons for this. First, substantial numbers of soldiers, both from the Nicaraguan Resistance (RN) and from the Sandinista army (ESP) have already been or are soon to be demobilized. Many have few literacy and numeracy skills and the majority have no job experience. Second, refugees (many of whom are also uneducated) are beginning to return to the country from neighboring countries. Third, increasing numbers of exiles are expected to return and enter the labor force (no estimates available). Finally, according to CORNAP<sup>10</sup> officials, in order to become fiscally sound, the public enterprises are expected to lay off as much as 30 percent of staff.<sup>11</sup> Table 4 sums up these new entrants to the labor force. Altogether, including the more typical number of labor force entrants, the increase to the labor force amounts to 195,000<sup>12</sup>. This nearly equal to the current number of individuals unemployed. Given that the annual growth rate in the number of jobs has been less than 3 percent (1985-

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<sup>9</sup>OIM, p. 76.

<sup>10</sup>CORNAP is the holding corporation of 22 holding corporations which manage and direct over 300 businesses in Nicaragua. These public enterprises are overstaffed and poorly managed. CORNAP's chief responsibility is to implement privatization of these public enterprises.

<sup>11</sup>Expected reductions in the size of the government bureaucracy may add to the roles of the unemployed (INCAE, 1989).

<sup>12</sup>Exiles and refugees may not enter the country (and therefore the labor force) until political and economic stability are accepted facts.

1988)<sup>13</sup>, the majority of these individuals will be without jobs or businesses and the unemployment rate will increase in dramatic proportions.

Group	Estimated Number
1. Demobilized Soldiers: Nicaraguan Resistance	21,000 <sup>a</sup>
2. Demobilized Soldiers: FSLN (Sandinista)	46,000 <sup>b</sup>
3. Refugees from camps in Honduras & Costa Rica	50,000 <sup>a</sup>
4. Returning refugees & exiles from elsewhere	?
5. Public Enterprise Reductions in Force	20,000 <sup>c</sup>
6. Annual New Entrants (not including above)	54,000 <sup>d</sup>
<b>TOTAL: All New Entrants to Labor Force</b>	<b>195,000</b>

<sup>a</sup> UNDP (1990), p. 140.

<sup>b</sup> Office of the President, Vice Minister's office. FSLN figure includes approximately 6,000 officers.

<sup>c</sup> CORNAP's own estimate.

<sup>d</sup> Ministry of Labor, Director General's office.

## 5. Private Sector Constraints on Labor Demand

### Government Absorption of the Private Sector after 1979.

Before 1979, the public sector was limited to utilities and certain financial and development institutions. After July 1979, starting with the confiscation of Somoza companies, the public sector grew rapidly through purchases, direct expropriations, and even some donations. Over time, businesses from every economic sector were absorbed by public corporations. More specifically, about 300 industrial enterprises, 1,250 agricultural enterprises, and over 500,000 hectares of land were confiscated by the State during the 1980s. These public enterprises can be divided into two types: public service enterprises in the more typical utility industries, and businesses within the *Area de Propriedad del Pueblo* (APP, Area of the Property of the People). While it is difficult to find an exact figure, the World Bank reports that in 1989 production from APP enterprises accounted for about one-third of GDP and approximately 10 percent of Nicaragua's employed labor force (including large numbers of employees with technical or professional skills). The effort of the government to control all aspects of the economy and to create employment during the period of macroeconomic decline described above explains why this

<sup>13</sup>Estimated from OIM (1990) data.

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APP sector is so large.

Restrictions of Private Enterprise Activity during the 1980s. The remaining players in the private sector became subject to asphyxiating Government-sponsored regulatory initiatives during this period. By decree, the State became the private sector's partner in selected corporations by requiring the inclusion of State representatives on boards of directors and decision making positions. The smaller productive industries, which today account for over 96% of all industries in Nicaragua (although they produce less than 10 percent of GDP), were forced to find "collective" forms of association as a way for the government to organize and control an atomized and diverse sector. By holding strategic points of intervention (for example, controlling import or distribution of raw materials, controlling access to various markets), the Government managed to enforce its policies by allowing sympathetic productive elements to more fully participate in the economic process, or by marginalizing less sympathetic ones.

The Ministerio de Comercio Interior (MICOIN) was a key player in controlling economic activity by virtually monopolizing every form of commercial exchange within Nicaragua. The MICOIN became the official purchaser and distributor of goods. It set prices--often below costs of production--and decided issues related to the distribution of goods to individuals and enterprises. MICOIN also became the sole channel of distribution of goods in the country, punishing extra-governmental commercial activities as well as maintaining tight price controls on all merchandise in the market.

Other factors affecting the private sector during the 1980s.

- o *Low aggregate demand.* Decreasing real wages and high levels of unemployment and underemployment have contributed to a reduction in the demand for goods and services. In addition, adverse international response to Nicaragua, such as decreasing levels of foreign aid and the U.S. blockade, contributed to the reduction in aggregate demand. As a result, industry may be utilizing, on the average, only 30 to 40% of its installed capacity. This has resulted in higher unit-costs and lower revenues.
- o *Deteriorated and obsolete industrial capacity.* Obsolete and poorly maintained equipment and lack of investment in new technology has caused the productive sector to deteriorate and lag behind regional standards.
- o *Restrictions on private lending results in tight credit.* The lack of private banking system is a major

constraint on the availability of credit for production as well as a factor in capital investment. The institutional credit system that supports the enterprise has deteriorated and is limited to its ability to draw funds from the Central Bank. Intermediary credit structures (i.e. savings & loans) have collapsed due to unstable economic conditions and thus, their inability to capture funds from lenders.

- o *Limited access to raw materials.* Nicaraguan production is heavily dependant on imports. The industry's inability to generate hard-currency limits its import capability, thus disarticulating the production process. Locally available raw materials are scarce, costly and lack quality.
- o *Lack of marketing skills.* Ten years of excessive central control and regulation have deprived the private sector from maintaining or developing a market-oriented mode. Today, the private sector in Nicaragua is out of touch with the marketplace, both locally, regionally and internationally.
- o *Restricted channels of distribution.* Industries were forced to relinquish to the State the distribution of goods and services. Traditional channels of distribution both -wholesale and retail- have been virtually destroyed by State monopolies. Other related problems may include transportation and warehousing capabilities.
- o *Poor labor relations.* Many private businesses are concerned with what they perceive as a deterioration in work ethic and a heightening of expectations. Sandinista ideology propagated the view that business owners and managers were villains and that workers should share equally in the management and profits of the enterprise. According to business leaders, the effect of these ideas on worker attitudes has led to a tremendous deterioration in worker effort, workers' ability to take responsibility, worker attachment to their jobs, and general labor relations.

## **6. The New Government's Response to Support the Private Sector**

Besides overarching monetary and fiscal policies designed to restore domestic and international faith in the Nicaraguan economy, the Chomorro government has initiated or proposed a number of policies designed to help private sector rebound.

Privatization. First among these policies is the plan to

privatize all of Nicaragua's "productive assets," including agricultural and transportation equipment--even the assets of small public enterprises. Included in privatization policy is the authorization of privately owned banking-type institutions, which will facilitate the flow of credit to enterprises.

Policies to reform taxation. A second set of policies concerns the tax system. The GON plans to implement cuts in the excessively high tax rates, and will denominate the tax system in Cordoba Oro to adjust for inflation. Finally, the GON plans to simplify indirect taxes, which will reduce tariffs (easing the cost of raw material imports), and lower certain consumption taxes (increasing demand by reducing the final cost of products to consumers).

Deregulation of private production. The GON plans to reduce the number of steps necessary for the Government to approve a transaction to no more than two. Moreover, when the Government takes longer than 15 days to act on a required action, that action is automatically authorized.

Prospects for economic growth. The implementation of GON's planned macroeconomic policies is expected to stabilize the economy and provide necessary, though not sufficient conditions for recovery of domestic investment and the production of goods tradable on the international market. In addition to these basics, the GON needs to adopt an export oriented agricultural and industrial policy, with enough donor financing to assure necessary imports of raw materials during the initial recovery period. Foreign investments (and reinvestment of finances from exile populations) should, and probably will, be encouraged. With these conditions, and a stable social and political environment, increases in domestic consumption, combined with export-driven demand, can stimulate a substantial growth in private sector production.

## **7. Private Sector Growth and the Demand for Training**

We have documented, to the degree that the data were available, the disastrous levels of unemployment and underemployment in evidence today and likely to worsen dramatically during the next year or two. We have also reported that the GON, with the nearly unanimous backing and considerable financial assistance of the international donor community, is now prepared to redirect its policies in support of private sector expansion. We have also indicated that appropriate economic policies and adroit industrial policy will result boost private sector demand for workers. If this is the case, what training policy is most suitable to support this growth? Several major points become clear.

First, the substantial numbers of unemployed individuals--mostly young people who have never worked--will not find work if there are no new jobs--even if they "have a real skill." Scarce resources would be better used to provide those who are lacking basic skills and employability skills with this type of training. More important, employment generation programs would be a better investment than training for these individuals. Finally, many of these long-time unemployed youth and young adults would benefit from social services, counseling, and health services.

Second, frequently, this type of entry training can be most effectively provided on-site (enterprise-based training). In some cases--and this is difficult to determine in advance--these employers may need help in providing specific job skills for more complicated jobs. In addition, the new hires may need some outside financial assistance while they are picking up the new skills.

Third, as businesses expand, the need to upgrade the skills of existing staff will become necessary. Further, the need to promote some staff to supervisory roles will become increasingly important. Employers and managers need help in identifying training programs for skills upgrading and supervisory staff training. Professional staff development programs and technical assistance can help here.

## **CHAPTER II: THE DEMAND FOR PRIVATE SECTOR TRAINING**

### **1. Introduction**

The purpose of this section is to assess the Nicaraguan private sector's current and prospective vocational/technical and other training needs, approaches to human resource development, and degree of satisfaction with existing Nicaraguan training institutions.

Through a series of interviews with a representative mix of private companies, this section seeks to determine which labor force constraints currently exist, and what type of investments will need to be made in human resource development if the Nicaraguan private economy is to prosper.

The rationale for focusing on the skills of workers is that experience has shown that without human skills, transfers of capital, technology and development projects are not well absorbed. In addition, economic growth and technological advancement may alter traditional social frameworks that have provided support for individuals and institutions. Education and training assists in providing the understanding and insight necessary to adapt to changing internal and external conditions. This is particularly relevant for Nicaragua today given the dynamic internal political and economic situation and rapidly changing world to which Nicaragua is linked.

### **2. The Scope of the Private Sector Needs Survey**

Fourteen firms were surveyed from the construction, agro-industrial, and manufacturing sectors. These three sectors were chosen for the critical role they play in the development of the Nicaraguan economy. Construction is needed to rebuild the infrastructure and expand the housing supply; the agro-industrial sector exploits Nicaragua's agricultural advantages by adding value through the processing of basic foods and agricultural products; and manufacturing is expected to be a key contributor to any sustained expansion in the Nicaraguan economy. Companies within these three sectors reflect the breadth of Nicaragua's industrial base, and the variety of occupations employed therein. The firms also varied in size. A mix of small (6-19 employees), medium (20-49), and large (50+) companies were interviewed to determine if differences existed among them in terms of their training needs, quality of personnel, and approach to human resource development.

Of the fourteen firms, nine are individually owned, three are private partnerships, one is a state enterprise, and one is a

transnational company. While this assessment focuses on the Nicaraguan private sector, it was considered useful to interview a state enterprise to compare its training needs and human resources with the private sector, particularly since the Nicaraguan government intends to eventually privatize all state owned companies. The nature of the firms ranged from a coffee processor to a producer of marble and ceramic tile.<sup>1</sup>

### 3. Methodology

Names of firms to survey were obtained from several private sector business associations, including the Camara de Industria (CADIN), the Instituto Nicaraguense de Desarrollo Economico (INDE), as well as from the Ministry of Economics' Office of Small Industries.

A questionnaire was developed to systematize and facilitate the personal interviews with company executives and owners. The questionnaire collected important background information on the firms as well as more specific data regarding the quality of technical personnel, and vocational and other training needs. Covered were the following topical areas: a) level of business activity and employment; b) projected future activity; c) nature and level of competition; d) major obstacles to expanding business; e) employee profile; f) vocational/technical and other training needs; g) nature of current training program; h) assessment of current training providers; and i) training preferences.

Questionnaire responses were supplemented by discussions with representatives of the Camara de Comercio, Camara de Construcion, INDE, the Ministry of Labor, and CORNAP, the government agency which manage the 300 parastatals.

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<sup>1</sup>The breakdown of firms by sector is: construction--two specializing in road construction and one in housing; agro-industrial--two beverage makers, and a manufacturer of cooking oils; manufacturing--two pharmaceutical companies, a shoe manufacturer, a furniture maker, a door and window manufacturer, a printing company, a plastic bag manufacturer, and a processor of marble and ceramic tile. A complete list of the firms is contained in the appendix.

#### 4. Profile of Firms

The size of each firm varied from 6 to 900 employees, with the median firm employing about 89 workers.<sup>2</sup> The breakdown of positions in the typical firm consisted of fifteen percent management and office personnel, forty percent skilled personnel, and forty-five percent unskilled machine operators and laborers.

Sales in 1989 ranged from as low as U.S.\$6000 to as high as U.S. \$4.5 million, but most firms sold less than \$1 million worth of goods. Almost all of the firms produced exclusively for the domestic market. Only one firm, a large manufacturer of instant coffee, exported more than 15 percent of production.

Low Utilization of Capacity. The depressed state of the Nicaraguan economy has resulted in an average utilization rate of only 53 percent for the surveyed companies. Most of the firms, especially the larger ones, have experienced either negative growth or no growth during the last three years, and almost every company that was in operation before the revolution is considerably smaller today in terms of employment. The average company workforce fell by about 67 percent between 1978 and 1990, with almost all of this due to lost business rather than to any gains in efficiency. Not surprisingly, one of the few companies to grow during this period was the state owned pharmaceutical company which increased its employment by about 400 percent!

High Rates of Unionization. Employees of nine of the fourteen firms surveyed are unionized. As expected, larger firms were more likely to have a union than smaller firms. Of the nine unions, six were Sandinista affiliates (CST, FNT, and Amadar) and three were associated with a mix of non-Sandinista unions (CTN, SCAAS, and CJT). Across the board, labor relations were rated as good. Unionized employees are covered by a labor agreement which regulates wages, work rules, and a grievance process. None of the unions provide any technical training services to their members or assist in this area in any other way by acting as an agent or promoter of training within the company. The only training received by the membership was described as "political" and provided to Sandinista unions during the previous government. This training has virtually ended since the Chamorro government assumed power in April.

Increasing Impact of Market Forces. Competition in the market place is considered strong by most of the companies

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<sup>2</sup>While the assessment team intended to survey a greater proportion of small firms, this proved to be more difficult than expected as most firms of this size do not possess telephones, which created logistical problems for carrying out interviews.

surveyed. Although state enterprises are responsible for nearly one-third of total production, they do not appear to hold monopoly power in any one sector. However, the immersion of the state into the productive areas of the economy once controlled exclusively by private companies is characterized by the fact that eight of the thirteen private firms consider state owned companies to be their principal competitor. Imports are also considered by many to be a formidable source of competition. Foreign producers are expected to become a more predominant source of competition once import controls are relaxed by the Chamorro government.

Decaying Physical Plant. The equipment in most firms dates back to before the 1979 revolution. Only one private firm, the large coffee exporter, had sufficient hard currency at any time during the last eleven years to invest in new capital equipment and machinery. The state pharmaceutical company was only able to purchase new equipment as a result of its privileged position. The other less fortunate firms, however, will be unable to reduce production costs, compete against imports, or sell outside Nicaragua until new, more efficient machinery is installed. Interviewees recognize this need, and all plan to invest in new equipment as soon as they obtain financing.

Obstacles to Expansion. 1) Credit: a lack of available financing from private sources is considered by ten of the fourteen firms to be the principal obstacle to business growth. Firms report to need this credit to purchase critical inputs, such as raw materials, and/or new equipment. 2) Lack of Demand for Output: several firms cited the stagnant local economy as an impediment to expanded sales. They believe that until consumer and investor confidence in the economy improves, their businesses will continue to produce at their current rate of underutilization. 3) Lack of Qualified Personnel: the state firm was the only company interviewed to identify this as an impediment to business expansion. This is not surprising given the preferential access state enterprises had to credit, materials and new equipment during the previous government. Since those requirements have been satisfied, their only obstacle now is personnel.

The fact that other firms did not cite the need for improved personnel as a priority is understandable given the conditions of companies at this juncture. The reported needs of Nicaraguan firms appear to follow a logical order of importance. In this sense, the firm's first need is access to credit to finance production. Only after the firms have received this credit to procure new equipment and expand production will they be able to focus on other important areas such as the human resource needs of the firm, which are likely to become a priority area. These companies will then be in the same position that the state firm finds itself now.

Positive Business Outlook. In spite of the depressed physical and economic state in which most of these firms find themselves, all of the companies expect their future to be more prosperous. This attitude was unanimous, and surprised the assessment team given the uncertain political and economic situation today. The executives are confident that Nicaragua will rebound once the banking situation stabilizes, credit becomes more available, and donors begin pumping money into the economy.

Most firms are poised to purchase new equipment as soon as credit becomes available. Ten of fourteen firms also expect to increase their workforce by 1992 by an average of 30 percent above today's base. Only one firm plans to have fewer employees at that time, the result of a plan to substitute capital for workers while at the same time increasing production. Two other firms expect employment in 1992 to remain at today's levels for the same reason. This expansion in physical and human capital will have serious implications for employee training, the specifics of which are discussed in section 9.

## 5. Educational/Training Levels of Workforce

Educational Levels. There is almost a direct correlation between the level of educational attainment of employees and where they are located within the company hierarchy. Regardless of the size of the firm, the educational profile of employees was the same: senior executives or owners were most often college graduates; lower/mid-level managers and administrators were graduates of high school; and nearly everyone below that level, skilled and unskilled laborers, had not advanced beyond the sixth grade. Unlike other parts of the less developed world, most of the lower level workers in the formal sector are literate. None of the companies viewed as a need literacy and numeracy training for their less educated workers. The fact that these workers can read and write will greatly facilitate any technical training they receive in the future.

Pre-Employment Skills Training. Very few of the skilled laborers, office clerks, and mid-level managers employed by the firms had received any formal technical training prior to beginning their employment there. Skilled laborers had learned their job skills through casual learning by doing during current or previous employments rather than through structured training programs conducted by secondary vocational/technical schools or SINACAP.<sup>3</sup> Similarly, few mid-level managers had attended any

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<sup>3</sup>Employers generally do not recognize this informal learning process as a form of in-service on the job training; in fact, as pointed out in the introduction, skills are acquired after workers

courses at the Camara de Industria or INCAE before beginning employment at the surveyed firm.

The low value which interviewees place on the quality of training provided by the technical schools of the Ministry of Education (MED) and SINACAP (discussed in greater detail in Section 7), compounded by the surplus of unemployed individuals with technical skills learned in the work place results in an employer mind set that favors experience over training; few employees seem to come to the firm with both qualifications.

Hiring Process. These perceptions within the firms are exemplified by the way employers hire personnel. Not one of the fourteen firms recruits employees from any of the vocational/technical training schools in Nicaragua. The training programs of SINACAP and the MED are ignored today because of a surplus of qualified unemployed labor and, more significantly, as a result of the poor reputations these institutions have earned recently within the business community. Students from the Salesian centers, who are considered better prepared, were not recruited because of the abundance in the labor market of skilled workers.

Surplus of Skilled Workers. The abundance of skilled labor in the job market makes it relatively easy for most firms to obtain new employees. Larger firms are solicited daily from the street by skilled and unskilled laborers. Smaller companies rely on references from existing staff for their new employees. This is the same approach firms of all sizes use to secure administrative personnel, such as office clerks, and junior level managers. This trend of relying more on references from existing workers to obtain new employees rather than recruiting from the technical schools is likely to continue as long as the supply of skilled technicians and managers remains abundant, and the perceived quality of training provided by SINACAP and the MED remains poor.

## **6. Structural Training Provided by Firms**

In general, firms spent little time, effort, and money on the structured training of unskilled employees or upgrading/updating the skills of their experienced laborers, office clerks, and lower level managers. In fact, six of fourteen companies could not recall ever training an employee formally, either with existing in-house staff or through an outside training organization. These firms were generally smaller, and in the construction sector where training costs, employee absence during working hours, and a significant

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are employed, rather than before in formal training institutions.

temporary workforce make it difficult for firms to take advantage of outside training services. The remaining eight firms that did provide structured training to unskilled and skilled technical employees were divided evenly into two camps: those which preferred to do their own training; and those which chose to utilize the services of external training institutions such as SINACAP.

External Vocational Training for In-house Staff. Companies which utilized outside training sources did so sporadically. Vocational training was very infrequent and usually initiated in response to an announcement in the newspaper about a training course offered by SINACAP. These companies seemed to lack a formal training plan, had not integrated human resource development into their overall business strategy and, more fundamentally, did not understand the technical skill deficiencies of their staff. Collectively, these factors tended to discourage training from occurring.

Internal Vocational Training. The other group of firms which provides its own in-plant training programs to employees seem to have a much better sense of the training needs of unskilled staff. These companies usually train their unskilled entry level workers in a classroom setting for a period of 1-2 weeks soon after they begin work. These firms have a training budget to finance this activity, and some have in-house trainers as well. However, training of laborers above the unskilled level by these same firms is virtually non-existent.

Reasons for Lack of Employer Sponsored Training. In addition to the reasons discussed above, there are three other important factors:

- 1) Firms believe that laborers, skilled and unskilled alike, do not understand the value of training, and thus are apt to look upon a week away from work in a training center as a vacation.
- 2) Firms cannot afford the lost production that would result from sending workers to a training course during the hours of business. While SINACAP does offer a few courses during non-working hours, most firms are not aware of SINACAP'S course schedule.
- 3) Companies are reluctant to enhance the skills of their employees through formal training for fear they will quit in search of higher wages elsewhere. This fear was most commonly expressed by small and medium size firms who indicated they could not compete with the higher wages paid by large companies, especially the parastatals which are the most generous.

Other Training Provided. Training of office personnel, clerks, middle level- and senior managers, was provided on a more frequent basis by firms but was, for the most part, just as sporadic and *ad hoc* as other training. The more frequent training of office personnel and management (on average offered to different personnel about four times annually), is the result of several factors. First, company owners and executives are more familiar with the training needs of these workers since they interact regularly with them at work. Second, executives and owners are also more familiar with the capabilities of the management training institutions because they themselves have attended courses there. Third, employers know about these programs because the management training institutions promote their programs better than SINACAP. Finally, office personnel are trusted to approach training seriously and to remain loyal to the company after upgrading their skills.

Training of office personnel was divided among principally two institutions, CADIN and INCAE, depending on the position of the employee. Office clerks, bookkeepers, and other low level administrators were sent to CADIN for 1-2 day seminars, while senior managers and company owners attended classes at more lengthy and intensive classes at INCAE. Executives and owners complained that neither institution offered courses for the mid-level manager, a group which firms considered to be in great need of training. This need is discussed more fully in section 10.

## **7. Firm Assessment of Vocational/Technical Training Institutions**

As discussed above, few firms sent their unskilled and skilled laborers to SINACAP for training. Even fewer firms were familiar with the training provided to secondary students by the Ministry of Education, or Salesian Mission.

SINACAP. Of the five firms which had utilized the services of SINACAP, four interviewees gave it the lowest rating of "not satisfactory", while one executive rated it "satisfactory." Moreover, those firms which had no direct experience with SINACAP were still critical of the organization for not offering them courses which responded to their training needs (this was probably more a problem of perception than one based totally on fact and underscores the need for SINACAP to publicize more aggressively its course offerings to the private sector). These same executives complained most vociferously about having to pay the two percent payroll tax to SINACAP from which they received no tangible benefit.

Apart from the payroll tax, the most common criticism levied against SINACAP by its users is the lack of attentiveness that SINACAP pays to assessing systematically the training needs of

the private sector. According to businesses, other aspects of SINACAP's program in need of improvement include its quality of instruction, course content, training materials, course schedule, and training equipment. But these shortcomings are all subordinate to its unresponsive curriculum. This deficiency of SINACAP has, perhaps, damaged its reputation more than any other. Unless its courses are perceived by firms as meeting the training needs of the private sector, companies will be reluctant to send workers there. Without giving themselves an opportunity to receive benefits from SINACAP, resentment within the business community will continue to grow against SINACAP and the 2 percent payroll tax.

Ministry of Education. The one firm that was familiar with the training provided by the vocational/technical schools of the Ministry of Education rated them "not satisfactory." While none of the firms had recruited from any of the vocational secondary schools, one firm did employ several graduates of the MED's schools. Upon employment, most of these graduates required significant amounts of supplementary training or retraining by the company. The Ministry's schools were criticized for poor instruction, obsolete training machinery, and low achievement standards.

Salesian Schools. The vocational schools of the Salesians, on the other hand, were rated favorably by firms even though none of the interviewees could recall if they have ever employed a graduate of the Salesian program. The Salesian's were rated highly for the rigor of their instruction and high standards imposed on students. But the most attractive aspect of the Salesian education related more to employability skills: the comportment of the graduate as a disciplined, responsible worker rather than to the particular vocational skills the student brought to the workplace.

## **8. Firm Assessment of Other Training Institutions**

Of the nine firms that trained their managers and office clerks, eight relied exclusively on the services of CADIN and INCAE. The one exception was a large transnational firm which sent its Nicaraguan staff to a sister plant in Colombia each year for two-three weeks of management training.

INCAE. All nine firms that had sent senior managers to INCAE gave it a top rating of "very satisfactory" and for this reason continue to use INCAE on a regular basis whenever possible. INCAE caters mainly to senior managers and executives so all the interviewees were able to speak from personal experience. These individuals, some of whom had received their university education in the U.S., were most impressed with INCAE's instructors, course content, intensity of instruction,

and flexible course schedule. The only criticisms levied against the institution were its high fees. Interviewees indicated they would attend far more courses at INCAE if they had the financial means to do so.

CADIN. In contrast, CADIN was not nearly as highly regarded as INCAE by interviewees. Five of eight firms that had sent administrators and lower level office personnel to CADIN rated its training "not satisfactory"; the other three firms rated it "satisfactory." Several aspects of CADIN were criticized, including course relevance, quality of instruction, insensitivity to the individual needs of its trainees, poor training facilities and lack of course depth and innovation. Some firms were particularly frustrated by the content of CADIN's courses which was criticized for not being relevant to the needs of the private sector. This was rather surprising since CADIN is an association of Nicaraguan industries and well positioned to solicit requests for specific course topics from its membership. This criticism may be warranted, but the others regarding the quality of CADIN's instruction and its training facilities; for example, are somewhat unfair since--unlike INCAE--management training is not CADIN's first vocation or primary responsibility. This fact is manifested in CADIN's low training budget, small instructor staff, and the nominal fee it charges for its courses.

## 9. Reported Vocational and Other Training Needs of Firms

Absence of Reported Critical Skill Needs. None of the fourteen firms reported to be in critical need of providing vocational training to employees or suffer from acute labor shortages in key areas of production.

Job vacancies are sometimes considered a reasonable proxy for gauging the availability of skilled labor. In this sense, only one of the fourteen firms had vacancies at the time of interview (these vacancies were not viewed as posing any constraint on production). The firm, a large shoe manufacturer had vacancies for nine shoe sewers. However, upon further probing, the vacancies were found to be caused by a high turnover rate, the result of low wages (roughly U.S. \$100 per month), rather than to a dearth of qualified personnel in the labor market.

The job vacancies of the other firm, a large printing company, were in the management areas of financial administration, accounting, and sales, and were, in this case, the result of a shortage of qualified personnel in the labor force, according to the interviewee.

Need for Employability Skills. A recurring theme heard during the interviews was the lack of self-discipline and

motivation exercised by employees, particularly skilled technicians and laborers. Many companies reported that the attitude of employees had deteriorated during the time of the previous government which, as the largest employer in Nicaragua, often placed ideology above work performance in compensating employees. The private sector emphasized that any skills training program should be supplemented by employability training to improve the attitudes and work habits of the labor force.

Short-Medium Term Vocational Training Needs. All of the firms believe that their training needs will increase in all areas, administrative and technical, as they begin to activate their idle capacity and are forced to compete in a more open Nicaraguan economy. A more liberal import regime will further force companies to increase their efficiency and product quality. All of the interviewees recognize this fact, and include employee training as a key part of the equation to improve their competitive position.

Those firms that are in the process of purchasing new equipment will require training in the operation, maintenance, and repair of that equipment. Most of this training will be provided by the vendor of the equipment as part of the purchase package, rather than by SINACAP, for example.

More specifically, nine of fourteen interviewees identified several technical skills which they contend will be needed to raise efficiency and improve product quality. These skills include the following technical areas:

- o industrial equipment maintenance and repair,
- o electrical mechanics,
- o lathe operation,
- o hydraulic machinery repair, and
- o construction machinery maintenance and repair.

Several firms underscored the need to train workers to give more care and attention to the maintenance of equipment. This appears to be particularly needed in the construction industry where equipment is old and spare parts are difficult to secure. Representatives from several of the business associations also indicated a need to train individuals in several of the basic building trades such as:

- o carpentry,
- o masonry,
- o plumbing, and
- o electrical installation.

Other Important Training Needs. The most pressing training needs of the private sector were reported to be in the areas of management as opposed to the technical areas of production.

Twelve of fourteen firms indicated the need to train senior managers in:

- o export marketing,
- o financial management,
- o computer programming and systems design,
- o production systems management, and
- o personnel management.

In addition, nearly every firm emphasized the need to train mid-level managers in personnel management and human relations.

Leaders of the private sector business associations also indicated a need for training in accounting, and in the professional areas of engineering and architecture. Feedback on this subject from the Ministry of Labor and CORNAP mirrored that of the surveyed firms, but also included the areas of general management and secretarial support.

## 10. Training Preferences

Vocational Training. Firms reported that in order for them to utilize external training institutions such as SINACAP, the training program must be:

- o Responsive to the vocational/technical skill training needs of the private sector;
- o Flexible, and offer courses during non-business hours;
- o Mobile, in that the training institution should have the ability to train workers in their place of employment;
- o Competency based, and graduate only those trainees who have achieved an accepted degree of competence in the skill;
- o Reasonably priced;
- o Short-term in duration;
- o Well advertised within the business community; and,
- o Accessible throughout Nicaragua.

Other Training. Firms indicated a strong desire to provide training to their administrators, and middle- and senior managers in the aforementioned areas. This type of training is expected to be conducted by an external institution. Firms prefer this institution to offer a program that is:

- o Responsive to the management training needs of the private sector;
- o Of at least the same quality as INCAE's;
- o Tailored to the particular training needs of the individual firm or group of firms within the same sector;

- o Held during non-business hours;
- o Affordable for even the small business (in this sense they should be lower priced than INCAE);
- o Available in the major economic regions of Nicaragua; and,
- o Able to also provide on-site technical assistance and training to the firm.

## CHAPTER III: VOCATIONAL/TECHNICAL TRAINING RESOURCES

### Introduction

This chapter describes and assesses Nicaragua's principal vocational and technical training delivery systems. These systems are discussed in the following three sections:

(A) Ministry of Education (MED)'s vocational high school programs--a formal,<sup>1</sup> school-based training system.

(B) SINACAP: the National System for Training--a non-formal<sup>2</sup> system for providing specific occupational skills for pre-employment or skills upgrading needs.

(C) Private voluntary organizations (PVOs) and non government organizations (NGOs).

Methodology. The findings reported in this chapter were derived from a review of government documents and from site visits and personal interviews conducted with over 50 directors, sub-directors, supervisors, and instructors from a variety of vocational training institutions across the nation.<sup>3</sup>

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<sup>1</sup>Formal vocational training is defined as training which will allow the graduating student to continue studies in secondary schools or universities which are part of the formal schooling system. The only sources of formal vocational training in Nicaragua is the Ministry of Education (MED) and privately owned centers accredited by the MED.

<sup>2</sup>Nonformal vocational training focuses on providing specific skills for obtaining employment or for upgrading the skills of existing workers. Nonformal training provides no options for receiving credit for continuing schooling within the formal sector. The primary sources of nonformal training in Nicaragua are the National Training System (Sistema Nacional de Capacitacion: SINACAP) and private voluntary organizations (PVOs).

<sup>3</sup>A considerably more detailed analysis of MED Vocational Education and SINACAP institutions are included as Addendum A.

## Section A

### Ministry of Education (MED) Vocational Education Programs

#### 1. Description of the MED Vocational Programs

The primary source of formal training is the Ministry of Education (Ministerio de Educacion: MED). Formal vocational training programs sponsored and/or accredited by the MED enroll over 15,000 young people annually. Training is provided in agriculture, industry, and commercial trades. MED vocational training is provided on two levels. The first level (*Tecnico Basico*) consists of three years of basic vocational training following the sixth grade and prepares the student for entering the job market as a lower level technician or for continuing studies on a more advanced level for an additional three years (*Tecnico Medio*).

The *Tecnico Medio* has the option of seeking employment as a higher level technician or continuing studies on the university or post-secondary technical level. Table III-1 lists enrollments and graduates from the nearly 50 agricultural, industrial, and commercial high schools. This table reveals an important aspect of formal and longer-term nonformal vocational-technical training in Nicaragua. While total enrollments are very impressive, one cannot count on having these people enter the employment market immediately because it takes three to six years for a student to complete MED programs. Worse, there are very high drop-out rates in many of these training institutions. It should also be noted that not all graduates enter the employment market upon completing their training. It is estimated that at least 10% of the Agricultural *Tecnico Basico* students and 30% of the Industrial *Tecnico Basico* graduates continue their studies onto the *Tecnico Medio* level. Similarly, at least 10% of the *Tecnico Medio* graduates in the areas of agriculture and industry continue their studies in post-secondary institutions or universities. Consequently, less than 400 agriculture, 800 industry, and 1600 commercially trained students entered the labor force in 1989.

Subject	Schools	1990 Enrollments	1989 Graduates
Agriculture	14	2,050	398
Industry	8	3,819	788
Commerce	25	9,330	1,599
Total	47	15,199	2,785

Source: Addendum A, Tables 1 and 2.

## 2. MED Vocational System's Performance

Very Low Completion Rates. The internal efficiency of training is determined by the costs of instruction during the training process and by the extent to which students who initially enroll in these programs are able to complete their studies and graduate. Efficiency rates for Ministry of Education vocational education in Nicaragua are in the order of 16% and 18% (agriculture and industry basico, respectively), 46% and 41% (agriculture and industry medio), and 42% for commercial.<sup>4</sup> These are very low compared to regional rates of about 60%, with higher quality centers achieving rates of up to 90%.

Low Efficiency Results in High Net Training Costs. Training costs calculated on the basis of the initial annual enrollments appear reasonable because instructor salaries are very low (US\$100/month--below that of qualified technicians with similar skills) and because training equipment is not being maintained. Obviously these are false economies. Given the low completion rates, training costs per graduate are in the order of US\$5,000<sup>5</sup>. If internal efficiency rates could be improved to even 60%, the regional average, the cost for training this graduate could be reduced by one-half.

Undetermined Job Placement Rates. Estimates of job placement rates varied among schools, and training center personnel often did not agree on the extent to which graduates were obtaining employment and practicing their trades. Personnel from some training centers estimate that 60% to 100% of their graduates are obtaining employment or become self-employed in an area related to their training. However, one cannot be sure of these levels of job placement because neither the MED nor the training institutions are conducting follow-on studies of graduates to determine the extent to which graduates are actually practicing their trades. External efficiency of training is very important for determining the final costs training. The US\$5,000 figure reported above represents 100% placement rate. If only a 60% job placement rate is achieved, the cost of producing one graduate who practices his/her trade is increased from about US\$5,000 to about US\$8,000.

Low Employer Satisfaction with MED Training. Employers who were interviewed in this Human Resources Assessment (discussed in Chapter II) indicated that they were not fully satisfied with the quality of MED vocational graduates. This may indicate that fewer graduates are obtaining employment for practicing their trades than is being estimated by training centers.

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<sup>4</sup>See Table 3 in Addendum A.

<sup>5</sup>Addendum A, Table 4.

Lack of Systems for Performance Monitoring. The Ministry of Education currently has no follow-on procedures with employers and self-employed graduates to determine the extent to which training is meeting training needs. Without this information, it is difficult for the training system to make adjustments in training curricula and instructional strategies to assure optimal levels of articulation between needs and training. It also explains the inability of the MED directors to assess the placement rate of their programs.

MED Institutions are Out-of-Touch with Local Employers. The MED vocational high schools have no formal links with employers. For example, these schools do not have employer advisory boards to help determine the appropriate courses, select appropriate curricula, or design appropriate instructional strategies. Employers do not come to these schools to find employees, and instructors from these schools do not go to employers to help place graduates. The lack of these linkages impedes MED schools from effectively meeting training needs.

MED Vocational Training is Inflexible. Even as articulations between trainers and employers improve, it still requires a minimum of three to six years to obtain the first graduates who complete a full cycle of training from the MED's formal programs. Similarly, very few MED institutions offer evening classes or other alternatives for adult students and young people who have not completed primary schools.<sup>6</sup> Most of the MED's students are young people between the ages of 13 to 18, with most graduates being 16 to 19 years of age.

### **3. MED Formal Education: Conclusions**

MED's vocational high school programs can be viewed as a source of a continuing supply of young technicians for Nicaragua who also receive a higher level of general education than many of the people trained in nonformal systems. However, this supply of young technicians could be increased considerably by improving upon the system's efficiency. However, the nature of formal training--requiring 3 to 6 years of training--will not allow it to meet employers' shorter-term or immediate needs unless nonformal training programs are offered by MED centers. For Nicaragua's pressing development needs, other forms of training should be considered.

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<sup>6</sup>Entrance to MED vocational high schools is restricted to 6th grade graduates. The World Bank estimates that primary school completion rates are less than 25% (of those who enter grade 1).

## Section B

### SINACAP Training: Non Formal Training in Nicaragua

While the MED's formal training program makes an important contribution to the development of a skilled human resource base, nonformal training is an equally important complement for filling the voids left by the formal training system. These voids include:

- o Short-term skill upgrading training for existing workers.
- o Job entry level training for young people who do not complete grade school and for adults who require training for obtaining employment.
- o Industry specific training needs for a changing economy.

The primary sources of nonformal training in Nicaragua is the National Training System (Sistema Nacional de Capacitacion: SINACAP).<sup>7</sup>

#### 1. Description of the SINACAP System

Trainees from the five SINACAP centers located in Managua, Boaco, Bluefields, and Chinandega<sup>8</sup> amounted to 994 in 1990 (with an 83% completion rate).<sup>9</sup> The total number of individuals trained in all SINACAP programs was 10,632 in 1988.<sup>10</sup>

Type of Center	Year Data Available	Number Trained	Completion Rate	Potential Enrollments
All 5 fixed centers	1990	994	83%	3,110
All training modes	1988	10,632	--	--

Source: Addendum A, Table 5 and Martinez (1990).

<sup>7</sup>Also, private voluntary organizations (PVOs) and non government organizations (NGOs), discussed in section 3, below, provide nonformal training.

<sup>8</sup>There are two in Chinandega, including one being transferred from the Ministry of Agriculture.

<sup>9</sup>See Addendum A, Table 5.

<sup>10</sup>Martinez (1990).

SINACAP provides short term general vocational training (up to a maximum of 1.5 years in length) with the objective of immediate employment after training. It is financed with a 2% payroll tax on all enterprises, public and private. The following list gives an illustration of the variety of courses offered, in addition to traditional fixed center training:<sup>11</sup>

- o orientation training (400 hours, 4-5 months),
- o occupational rehabilitation, ..
- o nontraditional training for women,
- o brushing-up courses (24 - 400 hours),
- o accelerated training (post hurricane reconstruction), and
- o specialization courses.

SINACAP appears to have become underutilized compared to its recent past. For example, from 1986-88 SINACAP attended to the training needs of a variety of state owned enterprises, some private sector companies, and the general public, providing 3,258 instructional programs and training approximately 45,000 people.

SINACAP's Speckled History. There are very few national nonformal training systems in the hemisphere which have been maligned and then neglected to the extent of the Sistema Nacional de Capacitacion (SINACAP). While SINACAP has the potential of becoming the most important source of nonformal training for employers in Nicaragua, the institution as it currently functions has serious problems. A brief history of SINACAP helps explain SINACAP's current difficulties.<sup>12</sup>

In 1967, the National Training Institute (Instituto Nacional de Aprendizaje: INA) was founded. INA was an autonomous institution designed to fill a void in the vocational training sector of Managua. It focused its training primarily on the construction, agricultural and commercial sectors.

In 1980 INA was replaced by the Sistema Nacional de Formacion Profesional (SINAFORP) since INA was viewed as being an institution which contributed to the exploitation of workers.

In 1986, with the hope of establishing a national training system which could be more in harmony with the government's

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<sup>11</sup>Appendix 7 includes a detailed list of training courses provided by SINACAP. This short list was provided by Pierre Harrisson, *Strategie Canadienne d'Appui au Developpement des Ressources Humaines au Nicaragua: Rapport Preliminaire*, CIDA: San Jose, 15 March 1990.

<sup>12</sup>See Addendum A for a fuller account of the institution's history.

objectives, SINAFORP was replaced with SINACAP and placed under the Presidency of the nation with a large centralized system employing approximately 270 people for directing, normalizing and orienting all nonformal training.

In 1988 SINACAP was moved to the Ministry of Education and functioned under this Ministry until June of 1990, when SINACAP was placed under the Ministry of Labor. SINACAP now functions with only a fraction of its potential budget, approximately 140 administrative and support personnel and 60 instructors.

## **2. SINACAP's Management and Administration Problems**

SINACAP Has Been Without Leadership Since 1986 Law. Many of SINACAP's current problems are related to the failure to implement the institution's 1986 law. The 1986 SINACAP law states that the Executive Director was to be appointed by the president. This Director is delegated the responsibility of the general administration of the institution and is the legal representative of the institution. The law also orders the creation of Central Training Councils (*Consejos Centrales de Capacitacion*). These bodies, also still unformed, are to consist of representatives from the business sector (*representantes empresariales*) and workers of various economic sectors in Nicaragua. The Central Training Councils are delegated the authority to plan, control, follow-up on training results, and evaluate all SINACAP training in Region III. In addition to Central Training Councils, the law authorized the creation of Regional Training Councils made up of representatives from the Regional Delegations (*Delegaciones Regionales*), economic and service sectors, workers, and a representative of SINACAP, chaired by the Technical Secretary of the Regional Government (*Secretario Tecnico del Gobierno Regional*.) These regional councils are delegated the authority to plan, control, follow-up and evaluate all SINACAP and nonformal training in each respective region.

Poor Implementation of SINACAP Financing Mechanism. SINACAP's financing comes from a 2% tax on gross salaries of all employees in the nation. Arrangements were made with the social security system to collect these contributions from employers at the same time payments were made for the social security system. Unfortunately, there is no legal penalty for not paying the two percent tax since the penalties must be defined in the institution's by-laws.

According to the national social security system, social security taxes for the month of June 1990 were paid on total salaries of approximately US\$30,000,000. Two percent of this amount would have been approximately US\$600,000. However, SINACAP received only about \$125,000 in July (it received

\$150,000 in August).<sup>13</sup> In other words, if SINACAP were receiving the US\$600,000 it should be receiving, the institution would have more than ample funds to expand and cover all its recurrent costs (salaries, maintenance, staff training, etc.).

High Ratios of Administrative Overhead. SINACAP staffing is characterized by ratios that range from 0.7 up to 3.2 administrative and support personnel to instructional staff. These figures become even more skewed towards administration when the central office staff of SINACAP is included, increasing the ratio to an average of 2.4 administrators and support personnel per instructor for SINACAP. These ratios are much lower for vocational training provided in neighboring countries, such as Honduras (with 0.4 administrative personnel per instructor) or Colombia (0.6 for SENA--Colombia's SINACAP).

Trainers and Directors have Inappropriate Skills & Experience. This study also noted that very few Directors of vocational training centers had received any formal instruction in vocational trades or vocational education management. This has serious implications for maintenance of shops and equipment, replacement of tools as required, keeping equipment updated and repaired, never allowing a training area to be without materials, and maintaining close ties with employers. Very few training directors and only a limited number of instructors have had experience working in the private sector or state owned enterprises where the majority of their graduates will be seeking employment.

Low Salaries for Instructors Promotes Turnover. Salaries for SINACAP instructors and supervisors are lower than those of the productive sectors. As a consequence it is often difficult to contract or maintain well trained, experienced technical personnel for executing vocational instruction programs.

Inadequate Curricula and Training Materials. SINACAP (and MED) provides guidelines for programs of study in different vocational areas. However, instructors and Directors of training centers expressed varying degrees of concern on the extent to which employers were involved in defining occupational profiles, competencies and tasks for different trades. The training centers also reported that their instructors are expected to develop their own training materials. This can be a very time consuming task and is not always the most productive use of instructors' time, particularly for instructors who have had limited pedagogical and technical preparation. Several Directors of centers expressed interest in improving their instructional

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<sup>13</sup>The figure for SINACAP receipts in June are unavailable, the figures for total salary earnings in July and August are unavailable.

methodologies and moving towards a more flexible, competency based, individualized system.

A Dedicated Core Staff Offers SINACAP Hope. It should also be noted that the fact that SINACAP has even survived deserves recognition as well. The majority of SINACAP's personnel are dedicated people who are committed to training. This core group of people has held the institution together, maintaining their institutional identity and a commitment to continue to provide training following severe personnel reductions and reduced training services while economic, personnel and administrative situations became increasingly unmanageable.

### 3. SINACAP's Performance Problems

Underutilization of Capacity. Although their completion rate is high, SINACAP's four fixed centers are using less than one third of their potential training capacity (potential enrollments are 3,000). However, uncollected receipts from the 2% payroll tax constraints the ability of SINACAP to contract additional instructors or to upgrade training equipment and facilities.

High Costs of Training because of Underutilization. The costs of training are also higher than they should be because of the relatively small number of people who are receiving training. Very few implant training programs are being offered because of recent budget reductions, while the institution maintains a relatively large central office staff and numerous administrative personnel in training centers.

Although most of the national training systems in Latin America and the Caribbean have costs of approximately \$1.50 to \$2.00 per participant hour of instruction, and SINACAP falls within this range with costs of about \$2.00; it should be noted that some PVOs in Nicaragua are providing credible training at less than \$0.50 per participant hour of instruction and costs at La Salle in Leon, which provides very high quality training, has costs of \$1.08 per participant hour of instruction. SINACAP's training costs are higher than they should be and could be reduced. (See Table 6 for comparative data on training costs in Nicaragua).

Lack of Information on Job Placement Impedes Improvement. SINACAP, like the MED, does not conduct follow-on studies to determine the extent to which training is meeting the employment needs of its students and the needs of employers, nor does it provide a job placement service for graduates who have difficulty in finding employment. As a consequence, it is unable to use this type of information to improve curriculum, instruction, and program offerings. Moreover, no judgement can be made on the external efficiency of the institution.

Upgrading of Equipment Required. With the exception of the industrial mechanics, electricity, welding, and industrial apparel shops at the Managua center, which were upgraded with \$5,000,000 in assistance from Germany, and the industrial mechanics shops at Chinandega, which was assisted by Spain, SINACAP's training equipment and shop facilities require upgrading.

#### **4. SINACAP'S Potential to Deliver Training On Demand**

Although it does not offer these services currently, SINACAP provided significant in-plant and industry specific training services prior to 1990. While most of these endeavors were directed towards state owned enterprises, this system is directly applicable for meeting private sector training needs as well.

Contracting out Training. Rather than maintaining a wide range of specialists and trainers on its staff, who could not be expected to cover every training need in any case, SINACAP contracted trainers for individual training programs required by employers. Available evidence supports the view that this was a very cost-effective way of providing high quality, industry specific training. Thousands of people were trained under this arrangement and this system could be re-established quickly for meeting employers' needs.

#### **5. SINACAP Conclusions: Many Problems; Much Potential**

National training systems, such as Colombia's SENA, Costa Rica's INACAP, and Brazil's SENAC, are commonplace in Latin America. Further, a considerable body of empirical evidence indicates that these institutions can provide cost-effective training programs that respond to the needs of employers.<sup>14</sup>

Despite the problem areas we have identified, it is clear from its performance in the past that SINACAP can become a self-sustainable, viable institution if it receives appropriate attention from the government of Nicaragua, the private and labor sectors, and international donors. To assure this, the Government of Nicaragua needs to::

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<sup>14</sup>On economic assessment of the external efficiency and cost-effectiveness of Colombia's SENA, an National Training System like SINACAP, see E. Jimenez, B. Kugler, and R. Horn, (1989); R. Horn and E. Jimenez (1986); R. Horn (1987).

(1) Provide appropriate, decisive, and autonomous management and technical leadership by appointing an Executive Director who will have the concerted civic and moral support of the private, labor, and public sectors;

(2) Write and implement institutional by-laws for applying SINACAP's 1986 law for,

a) Assuring the direct participation of employers and employees in defining training priorities -- planning, controlling, and evaluating these training interventions; and defining training priorities based on the most critical needs of the economy as called for in the 1986 SINACAP law; and

b) Assuring that SINACAP receives the 2% tax on salaries for providing the resources for achieving higher levels of internal and external efficiency, to avoid the further degeneration of the institution, and provide employers with resources for meeting industry specific needs while expanding job entry level and skill upgrading training opportunities in existing centers, mobile programs for rural areas, and the contracting of other institutions (including MED centers) and individuals to provide specific training programs in each region of the nation.

If these administrative objectives can be achieved over the short-term, SINACAP should be able to reorganize itself to play a much needed role of leadership in vocational training for Nicaragua, train a minimum of 10,000 people annually, and make a significant contribution towards meeting the nation's highest priority short and long-term training needs for rebuilding the economy.

## Section C

### Other Non Formal Training Resources

While there are a number of PVOs currently providing training or interested in establishing training programs (ADDENDUM B provides an overview of NGO and PVO activities in Nicaragua), it is important to briefly discuss how PVO initiatives help fill training voids left by the formal training system and other nonformal training institutions.

#### 1. NGOs and PVOs

Experience in Nicaragua and many developing nations has shown that these types of educational institutions are generally more flexible and cost effective trainers than public sector

training institutions, are able to reach less privileged sectors of society, are willing to establish training facilities in geographic areas which are difficult to reach, and can provide important civic and moral guidance for young people as well. International donors and Nicaragua should continue to encourage credible PVOs in these endeavors.

Beyond these more formal training efforts the NGO/PVOs offer other types of relevant training, frequently informal, that meet the needs of the marginal populations in the rural and urban sectors. In Nicaragua, despite the harsh economic and political conditions of the past, the NGO/PVO community represents a sizable force that can address the immediate and longer-term needs of Nicaragua in training and other areas. The main strengths of the NGO/PVOs are their abilities to:

- a) Reach poor communities and remote areas with limited resources or little infrastructure, and where government services are limited or ineffective.
- b) Promote local participation in designing and implementing projects among low-income people. In doing so they build self-confidence and strengthen the local organization.
- c) Operate at low costs: many apply appropriate technologies, streamlined services and low overheads.
- d) Identify local needs, build upon existing resources and offer training in technologies developed elsewhere.

## **2. NGO/PVO Vocational/Technical Training**

The Salesian Missions<sup>15</sup> in Nicaragua provide an excellent example of how PVOs can meet training voids. The Salesian Missions training centers include the Centro Juvenil Don Bosco (Managua), Colegio Maria Mazzarello (Managua, Instituto Profesional Maria Auxiliadora (Granada), and the Colegio María Auxiliadora (Masatepe). In addition to the Salesians, the Christian Brothers at La Salle in León and the Franciscans in Matagalpa are other educational groups that provide similar vocational and skills training.

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<sup>15</sup> While the Salesian are formally registered as a PVO (501. C-3) in the US and before AID they are more an educational institution that specializes in vocational and skills training.

The term NGO or PVO generally refers to those organizations that carry out micro-development programs in the rural or urban areas.

The other PVOs that engage in vocational or skills training in a formal manner are the Compañeros de la Américas and the Adventist Development Relief Agency (ADRA). The Compañeros admit, however, that their workshop equipment in the various orphanage centers has become obsolete or in disrepair. The alternative being proposed is a very costly two-year participant training program at a modern technical college in Wisconsin. ADRA currently is building a \$2 million technical school for 320 students just outside Managua. Other than the traditional trade schools, run by the above groups there are no NGO/PVOs so principally dedicated to vocational training.

These types of initiatives are particularly important for meeting the training needs of lower income sectors of society who cannot afford to invest three to six years in a formal training program, and for many young people who have not completed primary school, which is the key requisite for enrolling in formal vocational training programs, and for individuals in less populated areas who have very few opportunities for learning a productive trade.

Two other sectors where NGO/PVOs can make an immediate contribution to Nicaragua's advancement are small enterprise development and agricultural production. The NGO/PVO experience outreach and resources <sup>16</sup> indicate that they have attracted an important level of attention of bilateral, multilateral and other donors.

NGO/PVO Training for Small Enterprise Development. A number of capable NGO /PVOs can provide training, including skill development, to those engaged in small enterprise development. The Small Business Development Program of MEDA (Mennonite Economic Development Associates) aims to improve the economic viability of small businesses through services that increase income, create jobs, foster linkages with the local economy and encourage the self-development of communities. MEDA does so by lending small amounts of money (generally under \$500) for short periods of time at reasonable rates of interest. Clients who borrow money receive training in various management skills applicable to their business. Loan repayments go into a revolving loan fund to capitalize future projects.

One important component of MEDA's program is that it offers loans only to micro-enterprises that are in the productive sector. Institutions like ACCION, which is not currently based in Nicaragua, in contrast, have successful credit programs among micro entrepreneurs by offering both productive and commercial

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<sup>16</sup>Constantino Tapias, FAO representative in Managua, reports that PVOs/NGOs received \$300,000,000 from external donors for agricultural-related projects in the past five years.

loans (e.g., vendors of all types). Yet ACCION's well-acclaimed fame derives from the well-trained staff and loan clients resulting in 98% repayment rates.

NGO/PVO Training for Agricultural Production. Nicaraguan NGOs, have been active in agricultural development projects, working with small, independent producers. Their efforts have included: providing start-up agricultural credit for inputs; establishing rotating funds; and providing technical assistance. The need for continued NGO/PVO support in providing rural credit, training and technical assistance will continue to grow. Additionally, as Nicaragua's agricultural sector becomes more market oriented, producers will need to learn new skills to adapt to their changing environment.

If the GON wishes to take advantage of the NGO/PVO community with its rural outreach to the most marginal communities attention must be given to developing the capacity of the NGO/PVOs through training programs in project design, implementation and evaluation, strategic planning, program administration, organizational development and specific technical subjects that bear on their field services. Local NGOs currently serving the training needs of the agricultural sector include INPRHU, FUNDE, CINASE and CEPAD; US/PVOs that are currently involved in the sector include CARE, ADRA, and Catholic Relief Services (CRS). US/PVOs soon to arrive include TECHNOSERVE and FINCA.

### **3. Other Providers**

Although this survey did not intend to conduct a detailed examination of professional training programs, three stood out as exceptional:

(1) Instituto Centro Americano para la Administracion de Empresas: INCAE was founded 25 years ago with USAID assistance to provide graduate studies and short-term business administration programs for Central America. Over the years INCAE has also developed the capability to reach a much wider range of training needs. They have provided training programs for municipal and cooperative management, small and micro business management, health care management, banking, and other areas. The quality of instruction is very good and participants have generally been very satisfied with the training they have received. The costs of providing this training, however, are high, and range from about \$7 to \$15 per participant hour of instruction. Nonetheless, INCAE has a proven delivery record and provides an excellent alternative for contracting topic specific training for employers.

(2) Professional and Business Associations also provide training programs and periodic seminars on topics of interest for their members and the general public. While vocational technical training programs are less common, associations like CONAPI and the Chamber of Commerce provide training in areas such as apparel, woodworking, and business management. Associations of this nature could assist in identifying training priorities and could become more significant sources of training. They could also receive funding from SINACAP for executing high priority training programs if the 1986 SINACAP law is implemented.

Additionally, these associations provide an attractive alternative to INCAE for short-term courses on management-related topics which the private sector firms interviewed (see Chapter II) identified as an immediate training need. CADIN and the Chamber of Commerce have provided seminars on management in the past for members and non-members on a fee basis. Although the quality of these courses were not evaluated by the members of the assessment team, further investigation into the capability of these and other associations to address management training as a supplement to INCAE is warranted.

(3) Other Public Sector Training Sources include the Ministry of Economy's small and micro business program which is reaching approximately 450 people. While this source of training is still being established it is meeting some of the higher priority needs of small and micro businesses in the areas of apparel, woodworking, shoemaking and leather working. Costs on participant hour of instruction costs and rates of return on training investments, however, are not available at this time, and they are probably relatively costly because of the experimental nature of these programs.

## CHAPTER IV: DONOR ACTIVITY IN NICARAGUA

### 1. Community Membership and Funding Levels

The donor community is represented by the following major organizations in Nicaragua, the European Economic Community (EEC), the United Nations Development Programs (UNDP), Pan American Health Organization (PAHO), Organization of American States (OAS), World Health Organization (WHO), and United Nations International Children's Fund (UNICEF). Major country donors include, the United States of America, Germany, Japan, Sweden, Norway, Finland, Italy, and Canada. Donors interviewed for this study include the World Bank, IDE, UNDP, PAHO, Germany, Sweden, Norway, Finland, Netherlands, Denmark, Switzerland, Canada, Japan, and Russia.

According to the UNDP, donor assistance to Nicaragua is increasing. Funds spent and committed for technical assistance from 1987 to December 1990 were US\$118.8 million. Funds anticipated from multilateral and bilateral donors for 1991 and 1992 are \$244.6 million, a substantial increase from previous levels. A further increase in donor aid is anticipated after Nicaragua pays "arrears" of US\$350 million to the World Bank and IDB which the Vice Minister for External Cooperation Noel Vidauor expects will occur by the end of this year. The International Development Bank (IDB), for example, is contemplating project assistance of about US\$250 to 300 million pending "arrears" payment.

### 2. Government of Nicaragua (GON) Needs

Although donor aid is expected to increase, much more assistance is required to meet identified needs. The UNDP, in collaboration with GON Ministries and in response to participant recommendations at the June 1990 donor conference in Rome, classifies technical assistance needs of Nicaragua into six main areas:

- o Macroeconomics - formulation of policies and strategies for development with special emphasis on economic stabilization, supported by information systems for improved planning and decision-making.
- o Modernization of the state - improving management and administrative capacities in the public sector, decentralization, improved municipal governments, improving competencies in the public and private sectors, and privatization.

- o Rehabilitation of the productive sector and strengthening export capacity, stimulation of internal and external investments through capital formation.
- o Improvement in infrastructure and public services, including energy.
- o Social emergency program to mitigate negative effects of stabilization and to meet people's basic needs in all sectors.
- o Development of a policy on environmental protection and effective natural resource use.

Current funding of technical assistance activities by donors appears to fall short of need. Additional funding resources required to fund projects identified by UNDP and GON above committed levels for 1991 and 1992 is \$200 million. The area requiring the highest level of funding is the social emergency program (\$113 million). One-half of the required funds (\$110 million) is needed to meet needs in the immediate term (next six months).

Donor involvement in Nicaragua is expected to increase over the next six months to one year. Many bi-lateral donors, according to the Vice-Minister of External Cooperation and representatives of UNDP, are waiting to see whether Nicaragua can make the overdue "arrears" payment before increasing their credits and donations, or rescheduling debt payments with Nicaragua. Others, like Finland, are waiting to see how the present social emergency fund is managed and what the results are before deciding to commit their funds. USAID is funding the social emergency fund through INIFOM at \$10 million and UNDP is prepared to fund an additional \$300,000 for an executing unit at INIFOM to administer the fund until IDB commits its funds. Germany, Japan and Canada are in the process of conducting feasibility studies prior to committing funds to specific projects.

On the global scale, close collaboration is needed to coordinate donor interest in increasing support for technical assistance with GON requests sources in the main areas identified by the UNDP. The donor conferences held in Rome in June and this week in Managua are a step in the right direction. The UNDP appears to be playing an important coordinating role between donors and GON.

### **3. Donor Investments in Vocational/technical Training**

Vocational/technical training did not emerge during interviews as a high priority of donors. Donors who expressed

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interest in supporting training institutions include the Germans, Russians, and the Dutch. Norway, Finland, and Sweden consider training and capacity building a strong component that is regularly built into their technical assistance programs, and do not have now any specific plans to support vocational technical training institutions or programs.

The **Dutch** are working with SINACAP through the International Labor Organization (ILO). Representatives of the Ministry of Labor are presently negotiating an agreement with the Dutch government on an institutional strengthening project to support planning, organizational development and programming functions within SINACAP. The exact amount of assistance is not known as of this date, but Ministry of Labor personnel indicate it could be in the area of US\$1 to 2 million but this is an unconfirmed amount.

The **Germans** have provided materials, equipment, technicians and technical experts to support SINACAP's programs. Nicaragua received approximately US\$5 million between 1982 and 1990 and will receive approximately US\$1 million in 1990 from the West German government to support SINACAP's training centers. Donations will include workshops, office equipment, training materials, scholarships, visitor exchange and technical assistance. The newly unified German government will continue to support the Jinotepe Training Center (Centro de Capacitacion en Jinotepe) with technical experts in training and machinery repair, but at a much reduced level from support provided by East Germany during the previous years.

The **Japanese** Government's technical cooperation is limited at this time to 20 scholarships to study in Japan. Training programs are in highly technical areas in agriculture, medical treatment, welfare (e.g., labor management relations), energy, infrastructure, mining and telecommunications. Increased activity in vocational/technical training is not anticipated at this time. Feasibility studies will soon begin to expand project activity. Projects under consideration include potable water for the city of Managua; rehabilitation of Puerto Corinto on the Pacific; and, energy programs.

The **Russians** are contemplating continued support to the four training institutions they assisted in the past with machinery and experts. The level of Russian aid will diminish, and the representatives interviewed expressed interest in collaborating with other bilateral donors to coordinate continued support to the training institutions. The four institutions are Instituto Necoco La Salle (Leon), Instituto Simon Bolivar (Managua), Instituto de Capacitacion Agricola de Sebaco and Instituto Vocacional en Managua.

The project profiles presented by UNDP in the areas of rehabilitation of the productive sector and stimulation of investments identified training as a component in a majority of cases. Types of training identified include: preparation of investment profiles, project evaluation, planning for upgrading industrial plants, sector analysis to improve investment, application and administration of credit, marketing, product design, production, financial control, administration and management. Scholarship programs and external technical experts were other types of assistance identified. Training accounted for approximately 20% of the funds required to implement projects identified by UNDP in the productive sector.

Assuming that other sectors will require similar levels of training, it becomes apparent that donors will need to coordinate uses of the training resources they will call upon to manage their training components. Although the project profiles do not identify organizations that will conduct technical training or how this training will be done, SINACAP is often mentioned as a possible vehicle for delivering training.

The Temporary Employment component (PIT) of the UNDP social emergency program, for example, aims to employ 100,000 people under a subsidized apprenticeship program for six months which targets the laid-off public employees, repatriates, youth, and demobilized from the military and Nicaraguan Resistance (RN). The profile suggests that SINACAP implement the program and be responsible for supervising the apprentices. The Germans are also interested in using SINACAP to provide skills training to the same population with support funding from IDB and Canadians who have expressed an interest in this type of program. SINACAP was also mentioned by the UNDP as one of several organizations that could be responsible for coordinating training and technical assistance to micro and small enterprises in the areas of marketing, production, financial control, organization and management.

#### **4. Conclusions**

The need for donor coordination is apparent in Nicaragua to improve planning of donor investments, which are increasing, and to provide support to a government which is still defining mechanisms to absorb the growth in donor interest while trying to meet the immediate and longer-term needs of its people and institutions.

There is also a need to coordinate donor involvement in training in the selection and use of established training institutions or alternatives (such as NGO's, Chambers, professional associations). If SINACAP is the institution of choice, as it appears to be for several donors, for retraining

and job entry training then donors should be sensitive to the demands they would be creating on an already weak institution. SINACAP would be in a better position to respond if donors could also coordinate support for institutional strengthening of SINACAP so the institution can better meet the expected demand for training.

## CHAPTER V: CONCLUSIONS

The following conclusions emerge from the chapter findings:

1. The existing oversupply of labor and massive increases expected in unemployment implies that the most immediate need in the next six months to one year is a job-creation program that will absorb workers while the government's economic and industrial expansion policies take effect. The immediate increase in jobs should be easily filled by the available labor supply.
2. Training does not result in jobs. Research and experience indicates that vocational-technical training in particular, and human resource development in general, is most effective when it is driven by the demands of employers. Therefore, occupation-specific or job-specific skills are best provided in an enterprise-based setting or in training programs designed to meet job-related needs.
3. Employers are most likely to hire workers who are trainable -- that is, who have acquired basic employability skills -- even if they do not have the specific skills required for the tasks at hand. Employability skills include literacy, numeracy, an understanding of work responsibilities, and an ability to communicate, follow instructions, and ask for clarification of instructions. The many unemployed youth, demobilized military and returning refugees who have not consistently held jobs in the past may benefit most from employability training in the immediate to short term.
4. The most pressing immediate training needs of the private sector -- as sampled by this study -- are in the areas of management as opposed to the technical areas of production. Areas suggested by employers are export marketing, financial management, computer programming and systems design, production systems and personnel management.
5. Private sector firms interviewed expressed an interest in future investment in training only after: (1) demand rebounds; (2) current capacity is utilized; and (3) credit becomes available to allow capital improvements.
6. Effective and efficient vocational technical training programs and systems are flexible and able to respond to needs

(demands) of employers as they arise. SINACAP is an example of a national training institution that can meet the training needs of employers.

7. SINACAP would function more effectively if it were an autonomous institution with greater involvement of the private sector and could improve efficiency in terms of training costs; utilization of personnel and facilities; and, more adaptable and trade-specific curricula, training materials, and instructional methodologies.

8. Ministry of Education vocational/technical schools are operating at low levels of internal and external efficiency which suggests they are not an effective training alternative to meet future demands for training unless some specific measures are applied (see recommendations).

9. NGO's and PVO's provide an attractive training alternative to SINACAP and Ministry of Education schools to meet the training needs of marginalized groups for whom other training programs might be too expensive, difficult to access, or hard to reach. NGO's and PVO's capacity to fulfil future demands for training needs to be strengthened.

10. Donors should collaborate on projects with training components to avoid duplication in resource support and technical assistance. support and technical assistance.

## CHAPTER VI: RECOMMENDATIONS

### 1. Policy

a) Given that training does not create jobs, the most immediate response to growing levels of unemployment is an employment-creation program. Although this assessment team did not examine options in this area, USAID's \$10 million income generation program seems to be a step in the right direction. Continued support of similar efforts, such as the Social Emergency Fund, should be encouraged if the result is more jobs.

b) To meet future demands for training for skills development in Nicaragua, the national training system should be reoriented to be responsive to growing and changing needs of the private sector.

Although it is not functioning at capacity and has weakened considerably in recent years, SINACAP continues to have the potential of becoming a demand-driven training system assuming that the following actions are taken soon:

- o The 1986 SINACAP law is developed and implemented.
- o An Executive Director for SINACAP with strong technical and managerial leadership is appointed.
- o The Central and Regional Training Councils (composed of private sector employers and workers) are appointed and empowered.
- o Appropriate mechanisms are established to collect the two percent payroll tax.
- o Higher levels of cost-efficiency and cost-effectiveness are achieved (see recommendations under programming).

c) Support alternative training delivery systems that are more accessible to at-risk populations, such as PVO-sponsored training centers.

d) Integrate management training into the national training strategy.

e) Collaborate with MED in an evaluation of the Tecnico Basico level of training to determine if the program is justifiable. Consider including nonformal training programs in the Ministry of Education vocational system.

f) Improve coordination among donors on investments in vocational education.

## 2. Programming

a) Improve utilization, facilities, and outreach:

- o Increase use of current training facilities (morning, afternoon and evening).
- o Prior to building additional centers, upgrade equipment, tools and improve existing facilities (MED, SINACAP, and industrial education centers in primary and secondary schools).
- o Establish equipment and facility maintenance programs for all training centers and trade areas to improve maintenance and care of training resources.
- o Increase access to training centers through bus services or the use of mobile programs and shops for meeting needs in rural and less populated areas.
- o Encourage SINACAP to contract and manage additional nonformal training in MED and PVO centers.
- o Provide qualified candidates with training vouchers so they can purchase vocational training from one several alternative centers.

b) Improve linkages with private sector

- o Seek private sector and labor association advice and collaboration for improving production activities, defining training needs, and monitoring utilization of training. Suggested approaches:
  - Private sector councils made up of community leaders, business owners, and workers at each center.

- Skilled worker/instructor exchange program to allow instructors to gain additional experience in technical areas and skilled workers to train in centers.
  - o Improve pre-enrollment orientations and the screening of participants to reduce drop-out rates.
  - o Introduce job-placement services and counseling to increase chances of job placement.
  - o Include instruction in literacy/numeracy and basic employability skills to prepare workers and increase employer satisfaction.
  - o Conduct follow-on studies to determine job placement rates and use this information to improve programs.
- c) Improve management:
- o Establish employer response centers within each regional office to work with employers to design appropriate training programs and broker services.
  - o Provide technical and management assistance to SINACAP during initial stages of reorganization. Establish guidelines that encourage high levels of cost-effectiveness in training, and increased responsiveness to the training needs and priorities of employers..
  - o Review competitiveness of instructor's and director's compensation in relation to comparably skilled workers in state and privately owned enterprises.
  - o Train directors, supervisors and instructors on performance monitoring and using indicators of performance in improving completions and placements.
  - o Provide opportunities for MED, SINACAP and PVO training personnel to visit and learn from the new initiatives and established traditions in the model training system of the region, such as SENA in Colombia, SENAI/SENAC in Brazil, and CADERH assisted programs in Honduras.

- o Establish a mechanism to coordinate vocational/technical services and programs among providers (MED, SINACAP, PVO's) to improve utilization, curriculum, certification, and responsiveness to demands for training.
- d) Improve curriculum and training program options
- o Develop competency-based instruction strategies and a national trade certification system.
  - o Develop a source of off-the-shelf training materials which can be used in generic trade areas by both formal and nonformal trainers.
  - o Expand programs to include apprenticeship training. Include screening and supervision of apprentices, and support to employers and journeymen-trainers.

## CHAPTER VII: PRIORITIES FOR USAID ASSISTANCE

1. Condition future USAID assistance to the training sector on GON's implementation of the 1986 SINACAP law. The law provides for the creation of an autonomous institution and major involvement of the private sector in planning, controlling and monitoring training.
  
2. Design a project to assure that SINACAP makes the transition to an autonomous institution:
  - o Develop a schedule of technical assistance to SINACAP for the first year.
  - o Provide the Executive Director with an advisor.
  - o Provide technical experts to help the executive director design the organizational and programmatic components of a reoriented SINACAP.
  - o Finance study tours for key personnel.
  
3. Initiate a longer term institutional strengthening strategy for SINACAP. Components of this strategy might include:
  - o Technical assistance in ways to increase efficiency and cost-effectiveness. Areas to include are: curriculum development, certification standards, competency based instruction, development of management centers an business advisory boards, job placement services, employability training, monitoring systems, modularizing instruction.
  - o Training for the Executive Director, supervisors and instructors which might include scholarships and study tours.
  
4. Initiate, with other donors, a national training system investment fund to meet capital investment needs in the areas of equipment and facilities upgrading.
  
5. Support efforts of multi-lateral and bi-lateral donors to invest in employment-generation programs to relieve the severe unemployment problem.

6. Initiate literacy/numeracy and employability training for poorly educated youth and adults entering the workforce.

7. Conduct a thorough evaluation of MED vocational/technical schools to determine appropriate strategy for support.

8. Develop programs to support PVO's as alternative providers of vocational/technical training, especially in areas with high concentrations of unemployed youth, or areas not served well by existing training centers.

9. Invest in the development of management level training programs to meet immediate needs of employers in private sector-based organizations and associations such as the Chambers of Commerce and CADIM.

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**APPENDICES**

1. Institutional profiles
2. List of persons interviewed
3. Instruments
4. Bibliography

## INSTITUTIONAL PROFILES

### BANCO POPULAR

Banco Popular, founded in 1972, provides credit to individuals, small and micro-enterprises and co-operatives. Banco Popular is recognized as one of the few institutions servicing the needs of the small entrepreneur. Over the past two years, Banco Popular's lending ability has diminished as the Central Bank imposed severe restraints on credit. Few loans are currently being serviced by Banco Popular. Collateral is required and 13 percent annual interest rate is charged. Banco Popular will be a key player in the National Plan to Support Small and Micro-Enterprises.

### CADIN (Camara de Industrias de Nicaragua)

CADIN was founded in 1965, and today serves a membership of 250 manufacturing companies, some of which are jointly owned by private and government interests. The organization is run by two executives who are assisted by a reduced staff. CADIN is a member of the umbrella Chamber COSEP. As a professional business association, CADIN represents the interests of Nicaraguan manufactures before COSEP, and serves as a disseminator of important political, economic, and business information to its membership. A substantial portion of its activities are dedicated to training. CADIN provides 1-2 day seminars to employees from all levels of the enterprise on topics suggested by the membership. CADIN uses direct staff as well as outside instructors to conduct this training. CADIN also provides more individual technical assistance to member companies. Training is offered to both member and non-member companies.

### Camara Nicaraguense de la Construcción

The Chamber of Construction was formed in 1962. Membership consists of 65 companies throughout Nicaragua. Of the 65 companies, 62 are actual construction companies, and 3 are suppliers/producers of construction materials. Of the 62 construction companies, most specialize in vertical construction (buildings) as opposed to horizontal construction (roads and bridges). The Chamber of Construction does not offer any vocational/technical skills training to its membership. Occasionally, they sponsor 1-2 day seminars on various topics of interest to the sector, but these are more informational than technical.

### CONAPI (Consejo Nacional de la Pequena Industria)

CONAPI provides training and credit to 200 co-ops. CONAPI's training department provides courses in two areas: co-op administration and business-related topics, and manufacturing techniques. CONAPI is a highly politicized organization which has

been severely hampered by the change of government. Although CONAPI's co-op membership has declined as many co-ops shut down from 1988 to date, it continues to be a well-funded organization that currently serves around 6,000 individuals. CONAPI's administration courses include: marketing, production costs, accounting and financial management. Courses in technical areas include quality control and product design. CONAPI is particularly active in supporting the textile and wood/carpentry industries.

#### CONAPRO (Confederacion de Asociaciones Profesionales de Nicaragua)

CONAPRO was founded in May 1979 and today serves as an umbrella organization for 14 Nicaraguan professional organizations and associations. CONAPRO's mission is to organize and coordinate all professional associations in their joint activities and to promote the participation of Nicaraguan professionals as active agents of change in private enterprise. Members of CONAPRO offer workshops, seminars, and roundtables as well as conduct technical investigations to discuss and explore pertinent issues. Additionally, CONAPRO produces a professional journal and operates a job-bank.

#### Confederacion de Camaras de Comercio de Nicaragua (CCC)

Founded in 1928, today the Camara de Comercio has a national membership of more than 2,500 companies from the commercial and service sector which are affiliated with 14 Camaras. The organization's Managua headquarters is run by a staff of 16. The Camara is a member of COSEP and represents the interests of the private commercial and service sectors within this body. In addition, the Camara publishes monthly newsletters and offers occasional one to two day seminars on accounting, labor relations, and export marketing, and other topics of interest to membership. The Camara conducts this training with both internal staff and outside contractors.

#### CORNAP (Corporaciones Nacional del Pueblo)

CORNAP is the holding corporation of 22 subsidiary corporations which manage and direct over 300 businesses and employs 77,000 in Nicaragua. These are the public enterprises which have been overstaffed and poorly managed by the previous government. CORNAP's chief responsibility is to implement privatization of these public sector.

#### COSEP (Consejo Superior de la Empresa Privada)

COSEP's main objective is to promote the interests of its private sector membership before the government. It acts as a political lobbying organization for all private business associations.

This constituency includes all the Camaras as well as INDE and CONAPRO. COSEP has a total membership of 150,000 individual members who are self-employed and employed by member companies.

FUNDE (Fundacion Nicaraguense de Desarrollo)

FUNDE is a division of INDE (Instituto Nicaraguense de Desarrollo) that specializes in providing technical assistance and credit to microenterprises. FUNDE's mission is to support small entrepreneurs by providing: assistance in the development of small enterprise organization through the creation of cooperatives; access to credit; and limited technical assistance.

INCAE (Instituto Centro Americano para la Administracion de Empresas)

INCAE, founded in 1964, is a multinational private educational institution that provides graduate studies and short-term business programs in business administration throughout Central America. In addition to Nicaragua, there are INCAE offices located in Guatemala, El Salvador, Honduras, Costa Rica, Panama, Ecuador and the United States.

INDE (Instituto Nicaraguense de Desarrollo)

INDE was established in the mid 1960s as an association of private companies and today has over 1,000 members from all sectors of the economy. INDE is the social component of Nicaragua's private sector. The organization promotes free-enterprise principles and private sector contribution to society. Nine local autonomous chapters have been established in addition to the Managua chapter. INDE also funds education programs outside of Nicaragua through EDUCREDITO, and credit programs for cooperatives through FUNDE.

INEC (Instituto Nacional de Estadisticas y Censos)

INEC, under the previous government, was the only institution authorized to gather national statistics and census information.

INIESEP (Instituto Nicaraguense de Investigaciones Economicas y Sociales de la Empresa Privada)

A member of COSEP, INIESEP is a private sector organization that conducts research on economic and social issues affecting Nicaragua. During the past decade, INIESEP played a critical role in supplying independent statistics on Nicaragua through its publication "Cuadernos Empresariales", often counterbalancing information supplied by the Sandinista regime to the public. Currently, INIESEP is updating a 1991 version of "Hacia donde Vamos?", a comprehensive statistical publication that gives ample information on Nicaragua's economic and social trends.

INIESEP enjoys a solid reputation in the research arena.

INIFOM (Instituto de Fomento Municipal)

INIFOM provides support to mayors and other municipal officials through training in areas such as municipal planning, municipal budgets and municipal legislation. INIFOM's board of directors is composed of 34 elected mayors; this makes INIFOM very responsive to the needs of municipalities. INIFOM has a reduced pool of in-house trainers that conduct seminars and workshops throughout the country. For technical topics, INIFOM hires consultants from the private sector. Currently, budget cuts impede INIFOM from conducting levels of training that would meet the perceived needs of newly elected municipal officials.

SINACAP (Sistema Nacional de Capacitacion)

SINACAP is the national training system. Having historically been located in different ministries, it is today housed by the Ministry of Labor. SINACAP has traditionally provided several types of nonformal training: 1) job entry and skill upgrading training in the SINACAP centers; and 2) in-plant, industry specific training for employers. There are four fixed centers for attending the general public, employers and workers.

**INSTITUTION VISITED AND PERSONS INTERVIEWED**

**Institution/Person**

**Title**

**Government Institutions**

Ministry of Education

- |    |                   |                                             |
|----|-------------------|---------------------------------------------|
| 1. | Sofonias Cisneros | Minister                                    |
| 2. | Humberto Belli    | Vice-Minister                               |
| 3. | Maria Jose Chavez | Director, Office of<br>Vocational Education |

Ministry of Labor

- |    |                  |                                                           |
|----|------------------|-----------------------------------------------------------|
| 4. | Transito Gomez   | .. General Director,<br>Office of Employment<br>and Wages |
| 5. | Maylin Lau       | Secretary General of<br>the Ministry                      |
| 6. | Giovani D'Cefolo | CETRA: Centro del<br>Estudios de Trabajo                  |
| 7. | Mr. Berrios      | Director of Office<br>of Cooperatives                     |

Ministry of Economics, Division of Small Enterprise, Training and Development

- |     |                 |                                                                                             |
|-----|-----------------|---------------------------------------------------------------------------------------------|
| 8.  | Mr. Lanuza      | Director, Small<br>Industry Division                                                        |
| 9.  | Mario Vega      | Director of Training<br>and Technical<br>Assistance Programs,<br>Small Industry<br>Division |
| 10. | Claudio Valenti | Director, Industry<br>Division                                                              |
| 11. | Maria Vigil     | Director, Small<br>Enterprise Division                                                      |

Ministry of Foreign Affairs

- |     |              |                                          |
|-----|--------------|------------------------------------------|
| 12. | Noel Vidaune | Vice-Minister of<br>External Cooperation |
| 13. | Maria Pasos  |                                          |

Office of the Presidency

14. Tony Ibarra Vice-Minister to the President

CORNAP: Corporaciones Nacionales Del Sector Publico

15. Nelson Estrada Solorzano Director Finance/  
Strategy and  
Politics  
16. Roger Cerna Director of  
Privatization

INIFOM: Instituto Nicaraguense de Desarrollo

17. Carlos Noguera Executive director

Banco Popular

18. Jaime Garcia Executive Director  
19. Segundo Martinez Cruz Credit Manager

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**Nicaraguan Professional Associations/Organizations**

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APEN: Productos Agriculos de Exportacion Nontradicionales

20. Mr. Samuel Mansell President

Chamber of Commerce

21. Julio Cesar Bendava General Director  
22. Manuel Beronudez Deputy Director  
23. Leon Ruiz Amador Director of the  
Chamber Council

Chamber of Construction

24. Francisco Reyes President  
25. Alfonso Delgado

CONAPRO: Confederacion de Asociaciones Profesionales

26. Julia Rocha Manager  
27. Ms. Quintanilla Association of  
Engineers  
28. Oscar Perez Association of  
Optometrists  
29. Aldo Martinez Medical Association

30. Hilda Zuniga  
 Association of  
 Business  
 Administrators
- COSEP Consejo Superior de la Empresa Privada
31. Gilberto Cuadra  
 Director
- EDUCREDITO (Programa de INDE)
32. Marvin Cordoba  
 Director
- FUNDE: Fundacion Nicaraguense de Desarrollo
33. Benjamin Lanzas Selva  
 Presidente de FUNDE;  
 Llanza Ingenieros
34. Silvio Teran  
 Chief of Operations
- INDE: Instituto Nicaraguense de Desarrollo
35. Joaquin Chamorro Pasos  
 President
- INISEP: Instituto Nicaraguense de Investigaciones Sociales y Economicas del Sector Privado
36. Mario Alegria  
 Director
- CADIN: Camara de Industrias de Nicaragua
37. Gilberto Solis  
 Executive Secretary
38. Ramiro Cerna  
 Director of Training
- INCAE: Instituto Centro Americano de Admionistracion de Empresas
39. Miguel Angel Garcia  
 Director of Small  
 and Microenterprise  
 Development
40. Patricia Delgado  
 Director of  
 Development
41. Gerardo Peralta  
 General Secretary

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**Training Institutions**

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SINACAP: Sistema Nacional de Capacitacion

42. Giocondo Espinoza  
 SINACAP
43. Celica Valdez  
 SINACAP
44. Ileana Garcia Diaz  
 SINACAP

45.	Nubia Naraez Fonseca	Director
46.	Leonardo Chavarria	Administrativa Relaciones Internacionales (MITRAB)
47.	Rosa Aura Torres	Directora de Proyectos (SINACAP)
48.	Oscar Berrios	Director General Cooperative
49.	Rene Ramirez	Relaciones Internacionales (SINACAP)
50.	Pablo Azuar	Asesor del Ministerio (MITRAB)
51.	Ramon Segueira	Director, Small and Microenterprise
52.	Danilo de Jesus Guzman	Deputy Director
<u>Escuela Nacional de Mecaniacion</u> (SINACAP)- El Viejo		
53.	Marta Lucia Zamora	Director
54.	Antonio Garcia	Sub-director
<u>Instituto Regional del Occidente</u> (SINACAP)-Montes		
55.	Luis Enrique Gonzalez Rayo	Director
<u>Centro de Capacitacion E. Basco</u> (SINACAP)-Managua		
56.	Danilo de Jesus Guzman	Sub-director
<u>Instituto Agropecuario "German Pomares"</u>		
57.	Ligia Almanza Matus	Sub-director
<u>Instituto Politecnico "Lasalle"-Leon</u>		
58.	Hermano Jorge Estuada Silva	Director
59.	Hermano Antonio Lopez	Sub-director
<u>Instituto Tecnologico Nacional</u> -Granada		
60.	Roger Sequeira	Sub-director
<u>Instituto Tecnico Don Basco</u>		
61.	Hermano Fernando Murillo	Salesians



PNUD: Naciones Unidas: Programa para el Desarrollo

76. Jacob Simonsen

Director  
Program Officer

77. Lavina Belli

World Bank

78. Richard Clifford

Director

PVOs/NGOs

ADRA: Adventist Development Relief Agency

79. Gerald Lewis

Director

AIFLD: American Institute for Free Labor Development

80. Don Ellenberger

Director

Alliance for Communities in Action

81. Richard Schopher

Executive Director

CAPRI

82. Coleen Littlejohn

Director

CARE

83. Serge Trudel

Director

Catholic Relief Service

84. Sean Callahan

Director

CEPAD: Comite Evqanjelico Pro-Ayuda al Desarrollo

85. Evenor Jerez Rojas

Assistant to Director

CINASE

86. Sergio Santa Maria

Companeros de las Americas

87. Nini Tapia de Lopez

88. Jose Antonio Canton

President  
Executive Director

COPROSA: Corporacion de Promacion Humana

89. Renzo Reyes

Deputy Director

FAO: Organizacion de las Naciones Unidas para la Alimentacion

90. Constantine Tapias Director

FECANIC: Federacion de Cooperativas de Ahorro y Credito de Nicaragua

91. Fancor Calero General Director

Frederich Ebert Stiftung

92. Guncher Maihold Director

FUPAD (Pan American Development Foundation)

93. Norberto Ambrose Representative

INPRHU

94. Educardo Perez Rivera

Instituto Juan XXIII

95. Nidia Martinez Romero

OIM: International Organization for Migration

96. Albricht Fuchs

97. Juan Arbula

ONG Coordinadora (Umbrella Organization)

98. Luis Ayala

Meda: Asociacion Meronita para el Desarrollo Economico

99. Arie Laenen Director of Small  
Enterprise  
Development Program

100. Felipe Hazelton Regional  
Representative

Save the Children Federation

101. Mario Cerna Director

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**Private Firms**

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## Large Size Firms:

Industrias Papeleria Mercurio

102. Augusto Hashani Vice President

Cafe Saluble Presto

103. Jose Antonio Jiron Deputy Director

NAP (Construction)

104. Luis Arevalo Executive Director

MANIC (Shoe Manufacturer)105. Alejandro Fernandez Director of  
AdministrationLLANSA (Construction)

106. Gabriel Centero Director Operations

## Medium Size Firms:

Ciesa Ingenieros (Construction)107. Francisco Mayorga Director of  
Operations

## Small Size Firms:

Industrias Dona Tina (food processor)

108. Cezar Zamoria General Proprietor

MICASA (furniture maker)

109. Victor Gabuardi Owner

Marmoleria (Marble Cutters, Importers)

110. Renso Cerulli Owner

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Codigo Interno: \_\_\_\_\_  
Fecha: \_\_\_\_\_  
Encuestador \_\_\_\_\_

**ENCUESTA SOBRE NECESIDADES DE ENTRENAMIENTO DEL SECTOR**

Nombre: \_\_\_\_\_ Su Edad \_\_\_\_\_

Cargo: \_\_\_\_\_ Compania: \_\_\_\_\_

Direccion: \_\_\_\_\_ Telefono: \_\_\_\_\_

A. SU FIRMA:

1. Cual de lo siguiente mejor describe la naturaleza de su negocio:

Textiles o Confeccion de Ropa	_____	Metales	_____
Plasticos	_____	Zapatos o Cuero	_____
Farmaceuticos o Quimicos	_____	Agricola o Alimentos	_____
Construccion	_____	Transporte	_____
Servicios	_____	Servicios	_____
Comercio	_____		_____

2. Ud. es \_\_\_\_\_ dueno \_\_\_\_\_ principal \_\_\_\_\_ ejecutivo  
\_\_\_\_\_ administrador \_\_\_\_\_ otro

3. Su compania es \_\_\_\_\_ privada de propiedad familiar  
\_\_\_\_\_ privada, sociedad de accionistas no familia  
\_\_\_\_\_ mixta (privada/publica)  
\_\_\_\_\_ joint venture  
\_\_\_\_\_ multinacional  
\_\_\_\_\_ estatal

4. Si es estatal, usted cree que se va a privatizar? \_\_\_\_\_  
Cuando \_\_\_\_\_. La privatizacion provocaria un aumento o  
disminucion en el nivel de empleados en la firma? \_\_\_\_\_ Si  
esto es afirmativo, en terminos de porcentaje, cuanto cambio  
habia en la fuerza laboral? \_\_\_\_\_ %

5. Ventas totales de su compania en 1989: \_\_\_\_\_

6. % de las ventas que se exporta: \_\_\_\_\_ %

7. % de crecimiento de ventas en los ultimos tres anos \_\_\_\_\_ %

8. Cual es el panorama futuro de su negocio?  
 \_\_\_\_\_ excelente  
 \_\_\_\_\_ bueno  
 \_\_\_\_\_ regular  
 \_\_\_\_\_ malo
9. Que porcentaje de su capacidad de produccion esta usted empleando? \_\_\_\_\_ %
10. El nivel de tecnologia empleando en su empresa es:  
 Alto \_\_\_\_\_ Medio \_\_\_\_\_ Bajo \_\_\_\_\_
11. Su empresa es \_\_\_\_\_ intensivo capital \_\_\_\_\_ intensivo  
 laboral \_\_\_\_\_ ni uno ni otro
12. Su competencia es \_\_\_\_\_ firmas locales  
 \_\_\_\_\_ productos importados  
 \_\_\_\_\_ gobierno (empresa estatal)  
 \_\_\_\_\_ no hay competencia (monopolio)
13. La competencia es \_\_\_\_\_ Fuerte \_\_\_\_\_ Media \_\_\_\_\_ No tiene
14. Cuales son sus limitaciones principales en cuanto a la  
 posibilidad de expandir su negocio?  
 \_\_\_\_\_ Importacion de materiales y equipo \_\_\_\_\_ Credito  
 \_\_\_\_\_ Necesidad de personal calificado \_\_\_\_\_ La Economia  
 \_\_\_\_\_ Suministros locales \_\_\_\_\_ Tamano del Mercado  
 \_\_\_\_\_ Necesidad de administracion mejor \_\_\_\_\_ Ventas  
 mercadeo
15. Cuanto tiempo ha estado su empresa en funcionamiento? \_\_\_\_\_
16. Que otros negocios poseen Ud(s)? \_\_\_\_\_
17. Los empleados de la empresa estan afiliada con un sindicato?  
 \_\_\_\_\_
18. Cual es el nombre del sindicato? \_\_\_\_\_
19. Cual es la naturaleza de ese organizacion? \_\_\_\_\_
20. Cuales servicios da el sindicato a los empleados \_\_\_\_\_  
 Que tipo de capacitacion de el sindicato a los empleados? \_\_\_\_\_  
 \_\_\_\_\_

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B. SOBRE SU PERSONAL:

1. Con cuantos empleados cuenta su negocio? \_\_\_\_\_.  
Medio tiempo \_\_\_\_\_ Tiempo completo \_\_\_\_\_  
Permanente \_\_\_\_\_ Provisional \_\_\_\_\_
2. Como obtiene su personal? Que es el proceso? (Solicita personas egresados de los institutos tecnicos o las universidades?) \_\_\_\_\_
3. Cuantos empleados tenia usted hace 2 anos? \_\_\_\_\_ Si su negocio estaba en operacion en 1978, cuantos empleados tenia? \_\_\_\_\_ Realisticamente, cuantos empleados espera usted tener dentro de 2 anos? \_\_\_\_\_ Si usted planea tener mas empleados, que tipo de ocupacion tendrian? \_\_\_\_\_  
\_\_\_\_\_
4. Cuantas puestos vacantes tiene usted ahora? \_\_\_\_\_  
Cuales son estos puestos? \_\_\_\_\_  
Cual es la razon por la que estan vacantes? \_\_\_\_\_
5. Tiene necesidades urgentes de capacitacion? En cuales ramas? \_\_\_\_\_
6. Cuantos gerentes? \_\_\_\_\_
7. Cuantos empleados tienen titulo de bachiller? \_\_\_\_\_
8. Cuantos empleados tienen titulo universitario? \_\_\_\_\_
9. Cuantos empleados tienen educacion formal de negocio? \_\_\_\_\_
10. Cuantos empleados son mujeres? \_\_\_\_\_

C. PERFIL DE ADMINISTRADORES A NIVEL DE GERENCIA

1. Cual es su nivel de educacion?  
\_\_\_\_\_ bachillerato  
\_\_\_\_\_ titulo universitario  
\_\_\_\_\_ capacitacion especializada (tipo) \_\_\_\_\_
2. Cuantos años de experiencia en negocios tiene usted? \_\_\_\_\_

3. Cuales son sus necesidades de capacitacion personal?  
(marquelos en escala de 5 (como el mas alto) a 1 (como el mas bajo)

- \_\_\_\_\_ administracion general
- \_\_\_\_\_ administracion financiera
- \_\_\_\_\_ mercadeo/ventas
- \_\_\_\_\_ contabilidad
- \_\_\_\_\_ compras
- \_\_\_\_\_ sistemas de informacion (computadoras)
- \_\_\_\_\_ produccion
- \_\_\_\_\_ reparacion/mantenimiento
- \_\_\_\_\_ derecho comercial
- \_\_\_\_\_ otro (especifique) \_\_\_\_\_

4. Cuanto tiempo puede dedicarle a capacitacion pro ano? \_\_\_\_\_

5. Cuanto dinero esta dispuesto a pagar? \_\_\_\_\_

6. Cuanto es su presupuesto para capacitacion? \_\_\_\_\_

7. Como decide que tipo de capacitacion necesitaran su personal administradores y trabajadores? Hay un programa de capacitacion por ejemplo? \_\_\_\_\_

8. Cual de estas alternativas es preferido?

- \_\_\_\_\_ una noche a la semana por tres horas durante cuatro semanas
- \_\_\_\_\_ seminario de viernes pm/sabado am
- \_\_\_\_\_ dos noches a la semana por tres horas durante cuatro semanas
- \_\_\_\_\_ consultorias de una a una
- \_\_\_\_\_ capacitacion en la compania
- \_\_\_\_\_ otros (especifique) \_\_\_\_\_

D. PERFIL DEL EQUIPO ADMINISTRATIVO

1. Cuantos administradores tiene? \_\_\_\_\_

2. Cual es el nivel de educacion de la mayoria de sus administradores?

- \_\_\_\_\_ bachillerato
- \_\_\_\_\_ titulo universitario
- \_\_\_\_\_ capacitacion especializada (tipo) \_\_\_\_\_

3. Brinda usted algun tipo de capacitacion a sus empleados?  
 \_\_\_\_\_ Si es negativo, por que no? \_\_\_\_\_  
 Si es positivo, que tipo de capacitacion brinda usted?  
 \_\_\_\_\_ Capacitacion en el trabajo  
 \_\_\_\_\_ INCAE C.R.  
 \_\_\_\_\_ INCAE Nicaragua  
 \_\_\_\_\_ SINACAP  
 \_\_\_\_\_ firma consultora  
 \_\_\_\_\_ otro
4. Cuales son ss necesidades de capacitacion de sus administradores? (marquelos en escala de 5 (como el mas alto) a 1 (como el mas bajo).  
 \_\_\_\_\_ administracion general  
 \_\_\_\_\_ administracion financiera  
 \_\_\_\_\_ mercadeo/ventas  
 \_\_\_\_\_ contabilidad  
 \_\_\_\_\_ compras  
 \_\_\_\_\_ sistemas de informacion (computadoras)  
 \_\_\_\_\_ produccion  
 \_\_\_\_\_ reparacion/mantenimiento  
 \_\_\_\_\_ derecho comercial  
 \_\_\_\_\_ otro (especifique) \_\_\_\_\_
5. Usted cree que sus necesidades de capacitacion administrativo aumentaran en el futuro? \_\_\_\_\_ Si es afirmativo, explique: \_\_\_\_\_
6. Como prefiere usted llevar a cabo esta capacitacion?  
 \_\_\_\_\_ capacitacion en el trabajo  
 \_\_\_\_\_ SINACAP  
 \_\_\_\_\_ INCAE Costa Rica  
 \_\_\_\_\_ INCAE Nicaragua  
 \_\_\_\_\_ firma consultora  
 \_\_\_\_\_ otro
7. Como calificaria usted la calidad de capacitacion brindada por las escuelas tecnico/vocacionales locales?  
 INCAE C. R. \_\_\_\_\_ no satisfactorio  
 \_\_\_\_\_ parcialmente satisfactorio  
 \_\_\_\_\_ satisfactorio  
 \_\_\_\_\_ muy satisfactorio  
 SINACAP \_\_\_\_\_ no satisfactorio  
 \_\_\_\_\_ parcialmente satisfactorio  
 \_\_\_\_\_ satisfactorio  
 \_\_\_\_\_ muy satisfactorio

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INCAE \_\_\_\_\_ no satisfactorio  
\_\_\_\_\_ parcialmente satisfactorio  
\_\_\_\_\_ satisfactorio  
\_\_\_\_\_ muy satisfactorio.

CADIN \_\_\_\_\_ no satisfactorio  
\_\_\_\_\_ parcialmente satisfactorio  
\_\_\_\_\_ satisfactorio  
\_\_\_\_\_ muy satisfactorio

8. Si la capacitacion en estos centros de entrenamiento son poco satisfactorios, que aspectos cree que deberian mejorar?

\_\_\_\_\_ programa  
\_\_\_\_\_ contenido del curso/curriculum  
\_\_\_\_\_ suministros t/o equipo  
\_\_\_\_\_ horario de clases  
\_\_\_\_\_ lugar de ubicacion de las clases  
\_\_\_\_\_ requerimiento para completar los cursos  
\_\_\_\_\_ seleccion de los estudiantes  
\_\_\_\_\_ deeterminacion de que necesita el mercado de trabajo  
\_\_\_\_\_ otras  
\_\_\_\_\_ nada

9. Cuantos semanas pueden sus administradores dedicarle a capacitacion por ano? \_\_\_\_\_

10. Cuanto dinero esta dispuesto a gastar en la capacitacion de cada uno de sus administradores al año? \_\_\_\_\_

11. A cuantos de sus administradores le gustaria capacitar? \_\_\_\_\_

12. Cual de estas alternativas preferido?

\_\_\_\_\_ una noche a la semana por cuatro semanas  
\_\_\_\_\_ un viernes pm/sabado am  
\_\_\_\_\_ dos noches a la semana por cuatro semanas  
\_\_\_\_\_ capacitacion en la compania  
\_\_\_\_\_ otros (especifique) \_\_\_\_\_

E. PERFIL DEL TRABAJADOR

1. Cuantos trabajadores (obreros) tiene? \_\_\_\_\_

2. Cual es el nivel promedio de educacion de sus trabajadores?  
\_\_\_\_\_

3. Cuantos anos de experencia tiene la mayoria de ellos?  
\_\_\_\_\_

4. Brinda usted algun tipo de capacitacion a sus empleados?  
\_\_\_\_\_ Si es negativo, por que no? \_\_\_\_\_

Si es positivo, que tipo de capacitacion brinda usted?

- \_\_\_\_\_ Capacitacion en el trabajo  
\_\_\_\_\_ INCAE C.R.  
\_\_\_\_\_ INCAE Nicaragua  
\_\_\_\_\_ SINACAP  
\_\_\_\_\_ firma consultora  
\_\_\_\_\_ otro

5. A cuales de sus trabajadores brinda usted capacitacion?

- \_\_\_\_\_ no calificado, a nivel de entrada  
\_\_\_\_\_ no califiado, mejorado/actualizado  
\_\_\_\_\_ semi-calificado, mejorado/actualizado  
\_\_\_\_\_ calificado, mejorado/actualizado  
\_\_\_\_\_ gerentes

6. Cuales son los puestos de los trabajadores que usted capacita? \_\_\_\_\_

7. Usted cree que sus necesidades de capacitacion administrativo aumentaran en el futuro? \_\_\_\_\_ Si es afirmativo explique: \_\_\_\_\_

8. En cuales puestos se enfocara capacitacion futura? \_\_\_\_\_

9. Cuales son sus necesidades de capacitacion? (marque en escala de 5 (como el mas alto) a 1 (como el mas bajo)

- \_\_\_\_\_ leer/escibir  
\_\_\_\_\_ destrezas de oficina  
\_\_\_\_\_ tenedor de libros  
\_\_\_\_\_ produccion/destrezas tecnicas  
\_\_\_\_\_ reparacion/mantenimiento  
\_\_\_\_\_ destrezas para ventas  
\_\_\_\_\_ otro (especifique) \_\_\_\_\_

10. Como prefiere usted llevar a cabo esta capacitacion?

- \_\_\_\_\_ capacitacion en el trabajo  
\_\_\_\_\_ SINACAP  
\_\_\_\_\_ INCAE Costa Rica  
\_\_\_\_\_ INCAE Nicaragua  
\_\_\_\_\_ firma consultora  
\_\_\_\_\_ otro

11. Como calificaria la calidad de capacitacion brindada por las escuelas tecnicos/vocacionales locales?

SINACAP \_\_\_\_\_ no satisfactorio  
\_\_\_\_\_ parcialmente satisfactorio  
\_\_\_\_\_ satisfactorio  
\_\_\_\_\_ muy satisfactorio

MOE Escuelas Vocacionales \_\_\_\_\_ no satisfactorio  
\_\_\_\_\_ parcialmente satisfactorio  
\_\_\_\_\_ satisfactorio  
\_\_\_\_\_ muy satisfactorio

INDE/FUNDE \_\_\_\_\_ no satisfactorio  
\_\_\_\_\_ parcialmente satisfactorio  
\_\_\_\_\_ satisfactorio  
\_\_\_\_\_ muy satisfactorio

Centros Salesianos \_\_\_\_\_ no satisfactorio  
\_\_\_\_\_ parcialmente satisfactorio  
\_\_\_\_\_ satisfactorio  
\_\_\_\_\_ muy satisfactorio

CADIN \_\_\_\_\_ no satisfactorio  
\_\_\_\_\_ parcialmente satisfactorio  
\_\_\_\_\_ satisfactorio  
\_\_\_\_\_ muy satisfactorio

12. Si la capacitacion en estos centros de entrenamiento son poco satisfactorios, que aspectos cree que deberian mejorar?

\_\_\_\_\_ programa  
\_\_\_\_\_ contenido del curso/curriculum  
\_\_\_\_\_ suministros t/o/ equipo  
\_\_\_\_\_ horario de clases  
\_\_\_\_\_ lugar de ubicacion de las clases  
\_\_\_\_\_ requerimiento para completar los cursos  
\_\_\_\_\_ seleccion de los estudiantes  
\_\_\_\_\_ determinacion de que necesita el mercado de trabajo  
\_\_\_\_\_ otras  
\_\_\_\_\_ nada

13. Cuantos semanas pueden sus trabajadores dedicarse a capacitacion por ano? \_\_\_\_\_

14. Cuanto dinero esta dispuesto a gastar en la capacitacion de cada uno de sus trabajadpres al año? \_\_\_\_\_

15. A cuantos de sus trabajadores le gustaria capacitar? \_\_\_\_\_

VOCATIONAL/TECHNICAL INSTITUTION QUESTIONNAIRE

FECHA \_\_\_\_\_

Institucion \_\_\_\_\_

Direccion \_\_\_\_\_ Telefono \_\_\_\_\_

Lugar - Ciudad \_\_\_\_\_

Director/a \_\_\_\_\_

Personas Entrevistadas \_\_\_\_\_

1. Formal \_\_\_\_\_ Noformal \_\_\_\_\_  
Matricula Anual \_\_\_\_\_ Graduados Anual \_\_\_\_\_

2. Fecha de fundacion \_\_\_\_\_

3. Tipo de institucion/estructura legal:  
\_\_\_\_\_ Oficial \_\_\_\_\_ Semi-Oficial \_\_\_\_\_ Autonoma  
\_\_\_\_\_ Privada sin fines de Lucro \_\_\_\_\_ Privada con fines de Lucro

Personaria Juridica \_\_\_\_\_

4. Presupuestos:

	1989	1990	1991
Gastos Corrientes	=====	=====	=====
Inversiones Capitales	_____	_____	_____

5. Cuales son los fuentes de ingresos para gastos corrientes?  
\_\_\_\_\_ % Estado \_\_\_\_\_ % Matricula/Mens.  
\_\_\_\_\_ % Sector Privado \_\_\_\_\_ % Donaciones  
Otros (especifique): \_\_\_\_\_

6. Cuales son los fuentes de ingresos para inversiones capitales?

\_\_\_\_\_ % Estado \_\_\_\_\_ % Matricula/Mens.

\_\_\_\_\_ % Sector Privado \_\_\_\_\_ % Donaciones

Otros (especifique): \_\_\_\_\_

7. Requisitos para estudiar educacion tecnica \_\_\_\_\_

8. Segun su criterio como considera la preparacion de los alumnos y participantes a ingresar a esta institucion?

\_\_\_\_\_ % Bueno \_\_\_\_\_ % Regular \_\_\_\_\_ % No Satisfactoria

Si la preparacion previa de los alumnos/participantes es regular o no satisfactoria, favor indique, segun su criterio, las deficiencias y explicar las causas:

Deficiencias: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Causas de Deficiencias: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Tiene servicios de colocacion y seguimiento de graduados en su institucion? \_\_\_\_\_

Si tiene dichos servicios para graduados favor indicar en que ocupaciones, metodologia y resultados:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Numero de personal por categoria:

----- Administracion: ----- Direccion  
----- Finanzas y Contabilidad  
----- Abastecimiento  
----- Limpieza  
----- Otros

----- Apoyo Tecnico (supervisores, jefes de talleres,  
coordinadores, etcetera)

----- Instructores

11. Procedimientos y criterios para la seleccion de personal docente:

----- Titulo/Diploma ----- Pruebas de Habilidades

----- Minimo de ----- anos de experiencia previa en el area

Otros: -----  
-----

12. Personal de la Direccion: ----- Numero de Personas

----- Secundaria incompleta ----- Secundaria completa

----- Secundaria tecnica-vocacional incompleta -----

----- Secundaria tecnica-vocacional completa -----

----- Preparacion noformal -----

----- Universidad incompleta; Area de Estudios -----

----- Universidad completa; Area de Estudios -----

----- Cursos de complementacion en el pais; areas:

-----

----- Cursos de complementacion en el exterior; areas:

-----

- \_\_\_\_\_ 5 años o más de experiencia en el sector privado
- \_\_\_\_\_ 3 a 4 años de experiencia en el sector privado
- \_\_\_\_\_ 1 a 2 años de experiencia en el sector privado
- \_\_\_\_\_ menos de 1 año de experiencia en el sector privado
- \_\_\_\_\_ sin experiencia previa en el sector privado.

Otros: \_\_\_\_\_  
 \_\_\_\_\_

13. Personal Administrativo: \_\_\_\_\_ Numero de Personas
- \_\_\_\_\_ Secundaria incompleta \_\_\_\_\_ Secundaria completa
  - \_\_\_\_\_ Secundaria técnica-vocacional incompleta \_\_\_\_\_
  - \_\_\_\_\_ Secundaria técnica-vocacional completa \_\_\_\_\_
  - \_\_\_\_\_ Preparación no formal \_\_\_\_\_
  - \_\_\_\_\_ Universidad incompleta; Área de Estudios \_\_\_\_\_
  - \_\_\_\_\_ Universidad completa; Área de Estudios \_\_\_\_\_
  - \_\_\_\_\_ Cursos de complementación en el país; áreas:  
 \_\_\_\_\_
  - \_\_\_\_\_ Cursos de complementación en el exterior; áreas:  
 \_\_\_\_\_

- \_\_\_\_\_ 5 años o más de experiencia en el sector privado
- \_\_\_\_\_ 3 a 4 años de experiencia en el sector privado
- \_\_\_\_\_ 1 a 2 años de experiencia en el sector privado
- \_\_\_\_\_ menos de 1 año de experiencia en el sector privado
- \_\_\_\_\_ sin experiencia previa en el sector privado.

Otros: \_\_\_\_\_  
 \_\_\_\_\_

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15. Personal de Apoyo Tecnico

- Numero de Personas
- Secundaria incompleta                      ----- Secundaria completa
- Secundaria tecnica-vocacional incompleta -----
- Secundaria tecnica-vocacional completa -----
- Preparacion noformal -----
- Universidad incompleta; Area de Estudios -----
- Universidad completa; Area de Estudios -----
- Cursos de complementacion en el pais; areas:  
-----  
-----
- Cursos de complementacion en el exterior; areas:  
-----  
-----
- 5 anos o mas de experiencia en el sector privado
- 3 a 4 anos de experiencia en el sector privado
- 1 a 2 anos de experiencia en el sector privado
- menos de 1 ano de experiencia en el sector privado
- sin experiencia previa en el sector privado.

Otros: -----  
-----

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15. Area Ocupacional \_\_\_\_\_

\_\_\_\_\_ Numero de Instructores

\_\_\_\_\_ Secundaria incompleta                      \_\_\_\_\_ Secundaria completa

\_\_\_\_\_ Secundaria tecnica-vocacional incompleta \_\_\_\_\_

\_\_\_\_\_ Secundaria tecnica-vocacional completa \_\_\_\_\_

\_\_\_\_\_ Preparacion noformal \_\_\_\_\_

\_\_\_\_\_ Universidad incompleta; Area de Estudios \_\_\_\_\_

\_\_\_\_\_ Universidad completa; Area de Estudios \_\_\_\_\_

\_\_\_\_\_ Cursos de complementacion en el pais; areas:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Cursos de complementacion en el exterior; areas:

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ 5 anos o mas de experiencia en el sector privado

\_\_\_\_\_ 3 a 4 anos de experiencia en el sector privado

\_\_\_\_\_ 1 a 2 anos de experiencia en el sector privado

\_\_\_\_\_ menos de 1 ano de experiencia en el sector privado

\_\_\_\_\_ sin experiencia previa en el sector privado.

Otros: \_\_\_\_\_  
\_\_\_\_\_



16. De donde provienen los planes de estudio de su institucion:

-----  
Segun su criterio, como considera la calidad y relevancia de los planes de estudio:

-----  
(Se puede proveer muestras?)

De donde provienen los materiales didacticos:

-----  
Segun su criterio, como considera la calidad y relevancia de los materiales didacticos:

-----  
(Se puede proveer muestras?)

17. Dias de instruccion por ano: \_\_\_\_\_

18. La institucion tiene reglamento interno? \_\_\_\_\_

\_\_\_\_\_ Actualizado y adecuado

\_\_\_\_\_ Esta en funcionamiento

19. Segun su criterio, como considera la preparacion previa de sus instructores:

Tecnica	Pedagogica	Moral/Civica
_____ %Bueno	_____ %Bueno	_____ %Bueno
_____ %Regular	_____ %Regular	_____ %Regular
_____ %No Satisfacoria	_____ %No Satisfactoria	_____ %No Sat.

20. La institucion ofrece cursos de capacitacion o complementacion para su personal?

\_\_\_\_\_ Personal Administrativo; Cursos y fechas \_\_\_\_\_

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\_\_\_\_\_ Personal Docente; Cursos y fechas \_\_\_\_\_

-----

21. Si otras instituciones ofrecen cursos de capacitacion o complementacion, hay probabilidad y interes para mander su personal a dichos cursos?

Administracion \_\_\_\_\_

Tipos de Cursos, tiempo y lugar \_\_\_\_\_

-----

Supervisores e Instructores \_\_\_\_\_

Tipos de Cursos, tiempo y lugar \_\_\_\_\_

-----

-----

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-----

(Posibles Areas de Interes: desarrollo de planes de estudio o materiales didacticos, metodologia de ensenanza, evaluacion de alumnos, actualizacion tecnica, otros?)

22. Descripcion general de las facilidades fisicas de la institucion.

Areas Administrativas: \_\_\_\_\_

-----

-----

-----

-----

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Por Area Ocupacional: \_\_\_\_\_  
Taller: \_\_\_\_\_  
Sala de Instruccion: \_\_\_\_\_  
Maquinaria: \_\_\_\_\_  
Herramientas: \_\_\_\_\_  
Bancos de Trabajo: \_\_\_\_\_  
Otros Puestos de Trabajo: \_\_\_\_\_  
Bodegas y Otros: \_\_\_\_\_  
Promedio de Alumnos por Clase: \_\_\_\_\_  
Horas de Uso por Dia: \_\_\_\_\_ Dias por Semana: \_\_\_\_\_  
Semanas por Ano: \_\_\_\_\_

Por Area Ocupacional: \_\_\_\_\_  
Taller: \_\_\_\_\_  
Sala de Instruccion: \_\_\_\_\_  
Maquinaria: \_\_\_\_\_  
Herramientas: \_\_\_\_\_  
Bancos de Trabajo: \_\_\_\_\_  
Otros Puestos de Trabajo: \_\_\_\_\_  
Bodegas y Otros: \_\_\_\_\_  
Promedio de Alumnos por Clase: \_\_\_\_\_  
Horas de Uso por Dia: \_\_\_\_\_ Dias por Semana: \_\_\_\_\_  
Semanas por Ano: \_\_\_\_\_

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26. El sector privado, la comunidad o gobierno participa de alguna manera en la fijacion de politicas o normas operativas de la institucion:

\_\_\_\_\_ Sector Privado: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Comunidad: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ Gobierno: \_\_\_\_\_

\_\_\_\_\_

27. En cuales de las siguientes areas el sector privado (SP), la comunidad (C) o el gobierno (G) debe participar mas en la educacion tecnica vocacional?

\_\_\_\_\_ Identificacion de necesidades especificas de capacitacion

\_\_\_\_\_ Perfiles de ocupaciones

\_\_\_\_\_ Evaluacion/certificacion de graduados

\_\_\_\_\_ Colocacion de graduados

\_\_\_\_\_ Seguimiento de graduados

\_\_\_\_\_ Planes de estudio

\_\_\_\_\_ Materiales didacticos

\_\_\_\_\_ Asesoría en la compra de equipos y herramientas

\_\_\_\_\_ Materiales para talleres

\_\_\_\_\_ Evaluacion/certificacion de instructores

28. Hay otras areas en que el sector privado, la comunidad o el gobierno debe tener menor o mayor participacion en la orientacion de la capacitacion impartida por su institucion. En cuales areas especificas?

\_\_\_\_\_ Sector Privado: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Comunidad: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ Gobierno: \_\_\_\_\_  
\_\_\_\_\_

29. Que otras acciones o servicios son ofrecidos o realizados por su institucion y cual es la importancia de la educacion tecnica en relacion a dichas acciones o servicios:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

30. Sera posible ofrecer sus servicios de capacitacion para empresas si ellos quieren contratar sus servicios?

\_\_\_\_\_ Areas y Condiciones: \_\_\_\_\_  
\_\_\_\_\_

31. Su institucion esta por recibir prestamos o donaciones de otras instituciones a corto plazo?

\_\_\_\_\_ Descripcion: \_\_\_\_\_  
\_\_\_\_\_

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32. Planes o deseos de la institucion a corto y mediano plazo:

\_\_\_\_\_Oferta de areas o niveles nuevas\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_Cambios en horarios o tiempos\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_Ubicacion o facilidades fisicas\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_Equipos\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_Planes de estudio o materiales didacticos\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_Metodologia de instruccion\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_Aumentos o disminucion de matricula\_\_\_\_\_

\_\_\_\_\_

33. Observaciones, sugerencias o reccmendaciones:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



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**THE DEMAND FOR TRAINING  
AND THE CAPACITY OF INSTITUTIONS TO  
DELIVER VOCATIONAL/TECHNICAL TRAINING  
IN NICARAGUA**

**Volume Two**

Creative Associates International, Inc.

Submitted to USAID/Nicaragua,

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**VOLUME TWO  
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## ADDENDUM A:

### DETAILED ANALYSIS OF VOCATIONAL/TECHNICAL TRAINING RESOURCES

#### Introduction

This chapter describes and offers a detailed assessment of two of Nicaragua's principal institutions of vocational and technical training:

- 1) the Ministry of Education (MED) vocational education programs--a formal,<sup>1</sup> school-based training system, and
- 2) the National System for Training (SINACAP)--a non-formal<sup>2</sup> system for providing specific occupational skills for pre-employment or skills upgrading needs.

In addition to these two major institutions, other, smaller providers of training are described, including:

- 3) private voluntary organizations (PVOs) and non government organizations (NGOs), and
- 4) employers and business associations.

Section 5 follows these descriptions with an analysis of the key problems facing these training institutions:

- o excessive training costs,

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<sup>1</sup>Formal vocational training is defined as training which will allow the graduating student to continue studies in secondary schools or universities which are part of the formal schooling system. The only source of formal vocational training in Nicaragua is the Ministry of Education (MED) and privately owned centers accredited by the MED.

<sup>2</sup>Nonformal vocational training focuses on providing specific skills for obtaining employment or for upgrading the skills of existing workers. Nonformal training provides no options for receiving credit for continuing schooling within the formal sector. The primary sources of nonformal training in Nicaragua are the National Training System (Sistema Nacional de Capacitacion: SINACAP) and private voluntary organizations (PVOs).

- o personnel problems,
- o inadequate curricula and inappropriate training methods,
- o poor linkages with local employers, and
- o underutilization of training centers.

Section 6 presents a discussion of possible ways to alleviate these problems.

Section 7 addresses the *critical training needs* identified by the private sector survey identified in Chapter II of this assessment.

Methodology. The findings reported in this chapter were derived from personal interviews conducted with over 50 directors, sub-Directors, supervisors and instructors across Nicaragua in the nation's vocational training institutions. The information obtained through these interviews provided important insights on the strengths and weaknesses of training, problem areas which require attention, how training services could be improved, and how the private, labor, and public sectors (and international donors) might be able to collaborate in this endeavor.

### 1. Ministry of Education (MED) Vocational Education Programs

The primary source of formal training is the Ministry of Education (Ministerio de Educacion: MED). Formal vocational training programs sponsored and/or accredited by the MED enroll over 15,000 young people annually. Training is provided in agriculture, industry, and commercial trades. MED vocational training is provided on two levels. The first level (Tecnico Basico) consists of three years of basic vocational training following the sixth grade and prepares the student for entering the job market as a lower level technician or for continuing studies on a more advanced level for an additional three years (Tecnico Medio).

The Tecnico Medio has the option of seeking employment as a higher level technician or continuing studies on the university or post-secondary technical level. Table 1 below lists agricultural and industrial high schools by geographic region, current enrollments and 1989 graduates. This table reveals an important aspect of formal and longer-term nonformal vocational-technical training in Nicaragua. While total enrollments are very impressive, one cannot count on having these people enter the employment market immediately because it takes three to six years for a student to complete MED programs, and there are very high drop-out rates in many of these training institutions.

Table 1: Formal Training Programs in Agricultural and Industrial Trades Sponsored by the Ministry of Education (MED)

INSTITUTOS NACIONALES	Geographic Area and (Region)	1990		1989	
		Enrollments*		Graduates	
<b>AGRICULTURE</b>					
Bernardino Diaz Ochoa	Siuma (RAAN)	35B	36C	-	9M
Julio C. Moncada	Jalapa (I)	90B	8M	10B	8M
Olaf Palme (Forestal)	Esteli (I)	-	77M	-	19M
Carlos M. Vanegas	Chinandega (II)	-	391M	-	63M
Manuel I Lacayo	Leon (II)	-	272M	-	49M
Politecnico La Salle (Mec.Ag)	Leon (II)	-	52M	-	16M
Produccion "El Sauce"	Sauce (II)	90B	-	23B	-
Produccion "La Borgona"	Ticuantepa (III)	161B	-	23B	-
La Inmaculada	Diriamba (IV)	103B	161M	24B	50M
Pomares Ordonez	Juigalpa (V)	176B	-	-	35M
Produccion "Henry Amaya"	Boaco (V)	37B	-	-	-
Santiago Baldovinos	Muy-Muy (VI)	40B	90M	-	30M
Vladimir I. Lenin (Mec.Ag)	San Isidro (VI)	151B	-	-	9M
Produccion "Ernesto Cabrera"	La Cumpulida (VI)	80B	-	30B	-
	Sub-Total:	963B	1,087M	110B	288M
<b>INDUSTRIAL</b>					
Heroes Y Martires de Puerto Cabeza	P. Cabeza (RAAN)	93B	133M	9B	21M
Cristobal Colon	Bluefields (RAAS)	263B	37M	39B	-
Politecnico "La Salle"	Leon (II)	334B	347M	33B	32M
Tecnico Vocacional	Managua (III)	732B	188M	147B	47M
Simon Bolivar	Managua (III)	318B	133M	45B	33M
La Inmaculada	Managua (III)	186B	13M	76B	29M
Tecnologico Nacional	Granada (IV)	492B	255M	172B	41M
Ernest Thalman	Junotepe (IV)	82B	213M	17B	47M
	Sub-Total:	2,500B	1,319M	538B	250M
* B = Tecnico Basico C = Productor Capacitado M = Tecnico Medio					

Table 2 below provides a summary of MED sponsored high schools (Institutos Nacionales) and private programs accredited by the Ministry which provide training for secretaries and bookkeepers.

Table 2: Ministry of Education Sponsored High Schools and Private Schools Accredited by the Ministry Providing Formal Training in Secretarial & Commercial Skills

Institution	Location and (Region)	1990 Enrollments	1989 Graduates
*Carlos Fonseca	Esteli (I)	507	70
*Augusto C. Sandino	Esteli (I)	363	20
Esteli	Esteli (i)	262	**
*Ramon Noel Vilchez	Somoto (I)	142	**
*14 de Junio	Condega (I)	80	20
*Juan de Dios Munoz	Leon (II)	809	150
*Nuevos Orientaciones	Leon (II)	391	210
*Academico Mercantil	Leon (II)	124	126
*Rolando Rodriguez	Chichigalpa (II)	174	42
*Leonor M. de Oviedo	Chinandega (II)	991	243
*Manuel Olivares	Managua (III)	1,683	286
Silviano Matamoros	Managua (III)	57	**
Centro Ciencias Comerc.	Managua (III)	898	**
Centroamericana	Managua (III)	40	**
*Gaspar Garcia Laviana	Diriamba (IV)	243	61
*Bidkart Munoz	Granada (IV)	454	89
*Josefa Toledo de Aguerri	Juigalpa (V)	146	40
*Rosa Cerda	Boaco (V)	136	27
*Santiago Mejia	Boaco (V)	96	17
*San Francisco Asis	Juigalpa (V)	325	5
Cultural Mercantil	Matagalpa (VI)	661	123
*Jose Marti	Matagalpa (VI)	90	**
*Moravo	Bluefields (RAAS)	134	52
Cristobal Colon	Bluefields (RAAS)	280	36
*Carlos Morales	San Carlos (ZE)	73	38
Total:		9,330	1,599***

\* MED sponsored Institutos Nacionales (High Schools)

\*\* Data not available.

\*\*\*Total number of graduates from separate MED data: "Estadistica de Alumnos Egresados 1984-90".

It should also be noted that all graduates do not enter the employment market upon completing their training. It is estimated that at least 10% of the Agricultural Tecnico Basico students and 30% of the Industrial Tecnico Basico graduates continue their studies on the Tecnico Medio level. Similarly, at least 10% of the Tecnico Medio graduates in the areas of agriculture and industry continue their studies in post-secondary institutions or universities. Consequently, approximately 100 Tecnico Basico and 250 Tecnico Medio graduates in agriculture are available for employment each year; and about 375 Tecnico Basico and 225 Tecnico Medio graduates in industrial areas are available for employment.

The internal efficiency of MED vocational programs. The internal efficiency of training is determined by the costs of instruction during the training process and by the extent to which students who initially enroll in these programs are able to complete their studies and graduate. Table 3 summarizes data from the MED for 1987-89 with comparative efficiency rates for different areas and levels of training.

Table 3: Annual Graduates Available for Employment and Efficiency Rates of Vocational Education in MED Sponsored Training Programs

Vocational Area	1987 Initial Enrollments	1989 Graduates Available for Employment	Internal Efficiency Rate
Agricultural Tecnico Basico	628	100	16%
Agricultural Tecnico Medio	561	250	46%
Industrial Tecnico Basico	2,039	375	18%
Industrial Tecnico Medio	554	225	41%
Secretarial/Commercial Basico & Medio)	3,825	1,619	42% (Tecnico

Efficiency rates for formal vocational training in Nicaragua are very low as compared to regional rates of about 60%, with higher quality centers achieving rates of up to 90%.

These low rates of internal efficiency, particularly for the Tecnico Basico levels of agricultural and industrial training cause the cost of training per graduate to rise to unacceptable levels.

While training costs appear to be attractive when calculated on the basis of the initial enrollments at the beginning of the school year in vocational training centers, they are associated with false economies in vocational training. Salaries for instructors are very low (\$100/month) and significantly below the earnings of skilled workers and technicians, physical facilities and equipment are not being maintained, tools and shop supplies are limited, and there are very low completion rates.

Under these circumstances, what appear to be lower costs become less attractive and the final cost of training becomes very expensive for the nation based on the output of training centers.

In summary, austerity measures and low rates of internal efficiency are causing formal vocational training in Nicaragua to be much more expensive than it should be for each graduate who practices his/her trade, as summarized below by Table 4.

Table 4: Cost for Training One (1) Agricultural or Industrial Tecnico Basico or Tecnico Medio Graduate who Practices His/Her Trade

Cost Per Participant Hour of Instruction**	Total Hours Instruction	Cost Per Person***
\$0.43	3,348	\$4,798

- \* Cost data not available for secretarial and commercial areas.
- \*\* Participant hour of instruction costs based on the average cost of instruction in the representative centers visited.
- \*\*\* Costs per person are based on costs per graduate who practices the trade using the 1987 cohorts for Tecnico Basico and Tecnico Medio graduating in 1989:  $\$0.43 \times 3,348 = \$1,439.64/30\%$  (average completion rate) = \$4,798.

(See also Table 6 for a summary of participant hour costs which includes calculations for rates of internal efficiency; and Appendix -- for an explanation on how participant hour of instruction costs are calculated.)

Table 4 shows that the cost for one graduate who is available for practicing his or her trade is \$4,798 (U.S. dollars) per person. If internal efficiency rates could be improved to just 60% the cost for training this graduate could be reduced by one-half.

While secretarial and commercial training are less costly than agricultural or industrial training because of larger class sizes, lower cost equipment and reduced materials expenses, the internal rate of efficiency of only 42% for secretarial and commercial areas would also make this training approximately twice as costly as it should be.

The external efficiency of MED vocational programs. External efficiency of training is the second comparative measure of the overall efficiency of vocational instruction. The external efficiency of training is determined by the extent to which graduates of training programs are able to obtain employment, and degrees of employer satisfaction with the preparation of these new employees. Or, if the graduate is self-employed -- the degree to which the training is meeting his/her needs as an entrepreneur. If graduates are not obtaining employment, it is

evident that the training programs are not well articulated with employers' needs and the realities of the job market. Similarly, if self-employed graduates are experiencing serious difficulties associated with voids in their training, the training was deficient and the training program should be revised.

While internal efficiency is low, external efficiency appears to be higher for MED vocational training programs, but estimates of job placement rates varied among centers and training center personnel often did not agree on the extent to which graduates were obtaining employment and practicing their trades.

Personnel from training institutions estimate that 60% to 100% of their graduates are obtaining employment or are self-employed in an area related to their training. However, one cannot be sure of these levels of external efficiency because neither the MED nor the training institutions are conducting follow-on studies of graduates to determine the extent to which graduates are actually practicing their trades, the extent to which employers are satisfied with the levels and quality of the graduates they are hiring, or the satisfaction of self-employed graduates with the training they have received.

But the external efficiency of training is also very important for determining the costs of preparing young people as technicians. For example, if only a 60% job placement rate is achieved, the cost of producing one graduate who practices his/her trade is increased to \$7,997 (calculated on the basis of the cost of one graduate available for practicing the trade divided by the external rate of efficiency ( $\$4,798 / 60\% = \$7,997$ ). In contrast, as external rates of efficiency increase, the cost of the person practicing the trade is reduced:  $\$4,798 / 90\%$  (job placement) = \$5,331 which would represent a savings for Nicaragua of \$2,666 per graduate who practices the trade.

It is important to note that the employers who were interviewed during the preparation of this study indicated that they were not fully satisfied with the quality of MED vocational graduates and this may indicate that fewer graduates are obtaining employment for practicing their trades than is being estimated by training centers.

Consequently, it is recommended that the MED establish formal follow-on procedures with employers and self-employed graduates to determine the extent to which training is meeting training needs, that adjustments be made in training curricula to assure optimal levels of articulation between needs and training, and that more appropriate funding be provided for assuring that training institutions will have the training resources required for improving articulations between the employment market and training.

MED Formal Education: Conclusions. MED training programs have very low rates of internal efficiency and external efficiencies should be improved in areas with less than an 80% job placement rate. Investments on the part of international donors would be attractive if they include strategies for improving the internal efficiency of training, assisting centers which require upgrading and larger shop areas for obtaining higher levels of cost-effectiveness, assuring more direct lines of communication between employers and trainers for enhancing external efficiency, and developing alternatives for making use of the unused capacity of other MED centers.

However, the nature of formal training will not allow it to meet employers' shorter-term or immediate needs unless nonformal training programs are offered by MED centers. Even as articulations between trainers and employers improve, and they should be improved, it will still require a minimum of three to six years to obtain the first graduates who complete a full cycle of training from the MED's formal programs. Similarly, very few MED institutions offer evening classes or other alternatives for adult students and young people who have not completed primary schools. Most of the MED's students are young people between the ages of 13 to 18, with most graduates being 16 to 19 years of age.

Consequently, the MED's formal training programs can be viewed as a source of a continuing supply of young technicians for Nicaragua who also receive a higher level of general education than many of the people trained in nonformal systems. However, this supply of young technicians could be increased considerably by improving upon internal and external rates of efficiency, and should receive international donor assistance for reaching these ends.

## **2. SINACAP Training: Non Formal Training in Nicaragua**

While the MED's formal training program is a critical link in the development of a skilled human resource base, nonformal training is an equally important complement for filling the voids left by the formal training system. These voids include:

- o Short-term skill upgrading training for existing workers.
- o Job entry level training for young people who do not complete grade school and for adults who require training for obtaining employment. (Note: Primary school completion rates are estimated to be less than 25% by a World Bank study on education in Nicaragua.

This means that 75% of the young people cannot meet the MED's basic requisite for receiving formal vocational technical training in MED sponsored and accredited training institutions.)

- o Industry specific training needs for a changing economy.

The primary sources of nonformal training in Nicaragua is the National Training System (Sistema Nacional de Capacitacion: SINACAP) and the private voluntary organizations (discussed in section 3, below).

SINACAP: A Problematic History. There are very few national nonformal training systems in the hemisphere which have been maligned and then neglected to the extent of the Sistema Nacional de Capacitacion (SINACAP). While SINACAP has the potential of becoming the most important source of nonformal training for employers in Nicaragua, the institution as it currently functions has little justification for its existence. A brief summary of SINACAP's history helps explain SINACAP's current difficulties.

The institution was founded in 1967 as the National Training Institute (Instituto Nacional de Aprendizaje: INA). INA was an autonomous institution, filled a void in the vocational training sector of Managua and focussed its training primarily on the construction, agricultural and commercial sectors.

In 1980 INA was replaced by the Sistema Nacional de Formacion Profesional (SINAFORP) because it was viewed as being an institution which contributed to the exploitation of workers; as explained by the former government.

Objetivos: *Propocionar mano de obra nativa barata a las transnacionales y al gran capital. Fueron acciones de capacitacion asistematicas, aisladas y sin ninguna incidencia real en la elevacion de la calificacion de los trabajadores. (Source: "Usted Debe Saber... Que es SINACAP?," Managua, 8/86, p. 4.)*

In 1984 SINAFORP experienced problems and SINACAP was created.

*[SINAFORP] perdio de vista su objetivo principal y desvirtuo su esencia, su naturaleza, su razon de ser y para lo que fue creado. (Source: "Usted Debe Saber... Que es SINACAP?," p. 4.)*

With the hope of establishing a national training system which could be more in harmony with the government's objectives, SINAFORP was replaced with SINACAP and placed under the Presidency of the nation with a large centralized system

employing approximately 270 people for directing, normalizing and orienting all nonformal training.

*QUE ES SINACAP? Es el organismo rector de la capacitacion nacional que asume la responsabilidad de dirigir, normar, y orientar el desarrollo tecnico docente de la capacitacion de nuestro pais. (Source: "Usted Debe Saber... Que es SINACAP?", p. 3.)*

From 1986-88 SINACAP attended to the training needs of a variety of state owned enterprises, some private sector companies, and the general public; providing 3,258 instructional programs and training approximately 45,000 people.

In 1988 SINACAP was moved to the Ministry of Education and functioned under this Ministry until June of 1990, when SINACAP was placed under the Ministry of Labor. SINACAP now functions with only a fraction of its potential budget, approximately 140 administrative and support personnel and 60 instructors.

Many of SINACAP's current problems are related to the failure to implement the institution's 1986 law. The 1986 SINACAP law states that the Executive Director was to be appointed by the president.

The Executive Director is delegated the responsibility of the general administration of the institution and is the legal representative of the institution. Central Training Councils (Consejos Centrales de Capacitacion) were to be formed, made up of private sector employers (representantes empresariales) and workers of various sectors and areas of the economy. The Councils were to be chaired by a Secretary who would represent SINACAP, but would probably be a non-voting member of the group.

The Central Training Councils are delegated the authority to plan, control, follow-up on training results, and evaluate all SINACAP training in Region III.

Also Regional Training Councils made up of representatives from the Regional Delegations (Delegaciones Regionales), economic and service sectors, workers, and a representative of SINACAP, chaired by the Technical Secretary of the Regional Government (Secretario Tecnico del Gobierno Regional) are delegated the authority to plan, control, follow-up and evaluate all SINACAP and nonformal training in each respective region.

SINACAP's financing is to come from a 2% tax on gross salaries of all employees in the nation. Arrangements were made with the social security system to collect these contributions from employers at the same time payments were made for the social

security system. However, this system is not functioning and SINACAP has three critical problems:

1) The SINACAP law has never become active because its by-laws were never written or implemented. Although the 1986 law authorizes SINACAP to write its own by-laws (reglamento), this has not done.

2) The President of the Republic is to name the Executive Director of SINACAP according to the 1986 law, but no Executive Director has been named. The institution currently functions with a committee of Deputy Directors of Administration and Finance, Planning and the SINACAP Technical Office; under the general direction and supervision of the Ministry of Labor.

3) SINACAP is facing severe economic problems and now relies on international donors for contributing to operational costs in several training areas. SINACAP is not receiving the 2% tax on the salaries of employees and until the SINACAP by-laws are written, there is no legal penalty for not paying the 2% tax since the penalties must be defined in the institution's by-laws. SINACAP's current and potential incomes are summarized below.

According to the national social security system (INSSBI), social security taxes for the month of June 1990 were paid on total salaries of C 10,009,983.9 (Million). 2% of this amount would have been approximately C 200,200 (Million) or US\$588,800 for the month of June.

However, SINACAP received only C\$ 42,459 (Million) (\$124,879 at the 6/26/90 C\$ 340,000 = \$1 rate) for the month of July); C\$ 67,542 (\$146,830) for August (C\$ 460,000 (Million) at the C\$ 460,000 (Million) = \$1 (7/23/90 exchange rate)); and for September they received C\$ 196,504 (\$218,337) (8/27/90 C\$ 900,000 (Million) = \$1). It should also be noted that if the exchange rates for the actual month SINACAP should receive their payments are used, the US dollar or "Cordova Oro" amounts received are even smaller.

In summary, it is estimated that SINACAP's potential monthly income should be in excess of \$500,000 based on data from the social security administration. This makes international donor investments with SINACAP extremely attractive because investments for upgrading or expanding training capacity would have a very high probability of self-sustainability, if the SINACAP law is implemented.

SINACAP's Training Services. SINACAP has traditionally provided several types of nonformal training: (1) job entry and skill upgrading training in the SINACAP training centers; and (2) in-plant, industry specific training for employers.

1) SINACAP Training Centers

There are four fixed centers for attending the general public, employers and workers. Nonformal vocational training is provided for specific job entry level skills or skill upgrading, but on a shorter-term basis than the MED's formal programs and without the academic complement of subjects provided by the MED which is more oriented towards training technicians with a higher level of general education.

SINACAP is also in the process of receiving a center for providing training in agricultural mechanization which is being transferred from the Ministry of Agriculture to SINACAP.

The five centers are located in Managua, Boaco, Chinandega, and Bluefields. Initial and current enrollments, and 1990 retention rates for each center are summarized by Table 5 below.

Table 5: 1990 Enrollments, Retention Rates, and Enrollment Potential in SINACAP's Fixed Centers

Location	Initial 1990 Enrollments	Current 1990 Enrollments & 1990 Graduates	1990 Retention Rates	1990 Enrollment Potential
Managua	917	752	82%	2,000
El Viejo, Chinandega	127	100	79%	400
Boaco*	45	45	N/A	135
Bluefields**	-	-	N/A	350
Chinandega (Ag.Mech.)	109	97	89%	225
Totals:	1,198	994	83%	3,110

\* 45 students began classes October 22, 1990 at the Boaco center.  
 \*\*Bluefields will reopen in 1991 after being reconstructed following the hurricane.

Underutilization of Capacity. Table 5 shows that SINACAP fixed centers are using less than one third of their potential training capacity. However, increased enrollments can only be

achieved if SINACAP's income can be increased by receiving the 2% salary tax, upgrading training equipment and facilities, and contracting additional instructors.

High Costs of Training because of Underutilization. The costs of training are also higher than they should be because of the relatively small number of people who are receiving training. Very few in-plant training programs are being offered because of recent budget reductions while the institution maintains a relatively large central office staff and numerous administrative personnel in training centers.

Although most of the national training systems in Latin America and the Caribbean have costs of approximately \$1.50 to \$2.00 per participant hour of instruction, and SINACAP falls within this range with costs of about \$2.00; it should be noted that some PVOs in Nicaragua are providing credible training at less than \$0.50 per participant hour of instruction and costs at La Salle in Leon, which provides very high quality training, has costs of \$1.08 per participant hour of instruction. SINACAP's training costs are higher than they should be and could be reduced. (See Table 6 for comparative data on training costs in Nicaragua).

Upgrading of Equipment Required. With the exception of the industrial mechanics, electricity, welding, and industrial apparel shops at the Managua center, which were upgraded with \$5,000,000 in assistance from Germany, and the industrial mechanics shops at Chinandega, which was assisted by Spain, SINACAP's training equipment and shop facilities require upgrading.

External Efficiency. SINACAP, like the MED, does not conduct follow-on studies to determine the extent to which training is meeting the employment needs of its students and the needs of employers, nor does it provide a job placement service for graduates who have difficulty in finding employment. As a consequence, no judgement can be made on the external efficiency of the institution.

However, SINACAP training programs for industrial apparel training deserve mention as a departure from previous norms. Students enrolling in apparel industry training are required to demonstrate that they will have employment upon graduation and the Managua training center's "Office of Training for Women" is doing a commendable service in working with PVOs to assure that those who cannot obtain a guarantee of employment are able to obtain financing for beginning their own small business. These types of activities for improving external efficiency should be encouraged.

It should also be noted that the fact that SINACAP has even survived deserves recognition as well. The majority of SINACAP's personnel are dedicated people who are committed to training. This core group of people has held the institution together, maintaining their institutional identity and a commitment to continue to provide training following severe personnel reductions and reduced training services while economic, personnel and administrative situations became increasingly unmanageable.

International donor assistance from Germany at the Managua center and Holland at the Chinandega agricultural mechanization center also deserve recognition for preventing a further erosion of national training capabilities. These areas which are receiving donor assistance are well managed and are providing credible training for young people and adults.

## 2) SINACAP'S In-plant and Industry Specific Training Services

SINACAP provided significant in-plant and industry specific training services prior to 1990. Although most of these endeavors were directed towards state owned enterprises this system is directly applicable for meeting private sector training needs as well.

Rather than maintaining a wide range of specialists and trainers on its staff, who could not be expected to cover every training need in any case, SINACAP contracted trainers for individual training programs required by employers. This is a very cost-effective way of providing high quality, industry specific training. Special (industry-specific) training can be contracted for obtaining maximum impact and cost-effectiveness from either national or expatriate sources for meeting training needs as they emerge.

Thousands of people were trained under this arrangement and this system could be re-established quickly for meeting employers' needs. But this cannot be realized unless SINACAP receives the income called for under the terms of the 1986 law. If this income is received SINACAP could contract industry specific training for employers on the basis of competency based training norms, with the training being planned, controlled and evaluated by employers and employees as specified by the 1986 law to assure that training meets its objectives.

Another attractive alternative would be for SINACAP to contract MED training centers which are not functioning in the afternoons and evenings for providing nonformal training. This alternative is being used by the national nonformal training system in the Dominican Republic with excellent results and high levels of cost-effectiveness.

SINACAP: Conclusions. Many of SINACAP's internal and external inefficiencies are a direct consequence of its institutional degeneration: caused by the 1986 SINACAP law never taking effect. However, SINACAP could become a self-sustainable, viable institution if it receives appropriate attention from the government of Nicaragua, the private and labor sectors, and international donors.

International and Central American donor experiences also suggest that the current inefficiencies of SINACAP could show dramatic improvements, with reduced training costs, in a matter of months if proper management and technical leadership is provided and the SINACAP law is implemented. Under these circumstances SINACAP should be able to train a minimum of 10,000 people a year.

However, it will be difficult to justify continuing or additional international donor support over the medium and long-term for SINACAP unless specific short-term measures are taken to:

- 1) Provide appropriate, decisive, and autonomous management and technical leadership by appointing an Executive Director who will have the concerted civic and moral support of the private, labor, and public sectors;
- 2) Write and implement institutional by-laws for applying SINACAP's 1986 law for;
  - a) Assuring the direct participation of employers and employees in defining training priorities -- planning, controlling, and evaluating these training interventions; and defining training priorities based on the most critical needs of the economy as called for in the 1986 SINACAP law; and
  - b) Assuring that SINACAP receives the 2% tax on salaries for providing the resources for achieving higher levels of internal and external efficiency, to avoid the further degeneration of the institution, and provide employers with resources for meeting industry specific needs while expanding job entry level and skill upgrading training opportunities in existing centers, mobile programs for rural areas, and the contracting of other institutions (including MED centers) and individuals to provide specific training programs in each region of the nation.

If these administrative objectives can be achieved over the short-term, SINACAP should be able to reorganize itself to play a much needed role of leadership in vocational training for Nicaragua, train a minimum of 10,000 people annually, and make a significant contribution towards meeting the nation's highest

priority short and long-term training needs for rebuilding the economy.

### 3. Other Non Formal Training Resources--NGOs and PVOs

While there are a number of PVOs currently providing training or interested in establishing training programs (ADDENDUM A will provide more information on PVO training initiatives), and opportunities, it is important to briefly discuss how PVO initiatives help fill training voids left by the formal training system and other nonformal training institutions.

The Salesian Missions<sup>3</sup> in Nicaragua provide an excellent example of how PVOs can meet training voids. The Salesian Missions; training centers include the Centro Juvenil Don Bosco (Managua), Colegio Maria Mazzarello (Managua, Instituto Profesional Maria Auxiliadora (Granada), and the Colegio Maria Auxiliadora, Masatepe.

In addition to the Salesians, the Christian Brothers at La Salle in León and the Franciscans in Matagalpa are other educational groups that provide similar vocational and skills training.

The other PVOs that engage in vocational or skills training in a formal manner are the Compañeros de la Américas and ADRA. The Compañeros admit, however, that their workshop equipment in the various orphanage centers has become obsolete or in disrepair. The alternative being proposed is a very costly two-year participant training program at a modern technical college in Wisconsin. ADRA currently is building a \$2 million technical school for 320 students just outside Managua. Other than the traditional trade schools, run by the above groups there are no NGO/PVOs so principally dedicated to vocational training.

These types of initiatives are particularly important for meeting the training needs of lower income sectors of society who cannot afford to invest three to six years in a formal training program, and for many young people who have not completed primary school, which is the key requisite for enrolling in formal vocational training programs, and for individuals in less

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<sup>3</sup> While the Salesian are formally registered as a PVO (501. C-3) in the US and before AID they are more an educational institution that specializes in vocational and skills training.

The term NGO or PVO generally refers to those organizations that carry out micro-development programs in the rural or urban areas.

populated areas who have very few opportunities for learning a productive trade.

Experience in Nicaragua and many developing nations has shown that these types of educational institutions are generally more flexible and cost effective trainers than public sector training institutions, are able to reach less privileged sectors of society, are willing to establish training facilities in geographic areas which are difficult to reach, and can provide important civic and moral guidance for young people as well. International donors and Nicaragua should continue to encourage credible PVOs in these endeavors.

Beyond these more formal training efforts the NGO/PVOs offer other types of relevant training frequently informal, that meets the needs of the marginal populations in the rural and urban sectors. In Nicaragua, despite the harsh economic and political conditions of the past the NGO/PVO community represents a sizable force for training in addressing the immediate and longer-term needs of Nicaragua. The main strengths of the NGO/PVOs are their abilities to:

- a) Reach poor communities and remote areas with limited resources or little infrastructure, and where government services are limited or ineffective.
- b) Promote local participation in designing and implementing projects among low-income people. In doing so they build self-confidence and strengthen the local organization.
- c) Operate at low costs: many apply appropriate technologies, streamlined services and low overheads.
- d) Identify local needs, build upon existing resources and offer training in technologies developed elsewhere (e.g., the concept of the Grameen Bank for small farmer credit).

Two sectors where NGO/PVOs can make an immediate contribution to Nicaragua's advancement would be in small enterprise development and agricultural production. The NGO/PVO experience outreach and resources<sup>4</sup> indicate a serious level of

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<sup>4</sup> The Food and Agricultural Organization (FAO) has produced impressive data with the Ministerio de Desarrollo Agropecuario y Reforma Agraria. The study shows NGO/PVOs receiving \$300,000,000 from external donors for agricultural-related projects in the past five years. Despite the significant amounts of donor funding the general assessment has been that many of the projects have been poorly planned and the resources

effort that has attracted the attention of bilateral, multilateral and other donors. Beyond the basic management and organization training NGO/PVOs require ongoing assistance in the technical aspects of their programs.

Training for Small Enterprise Development. A number of capable NGO /PVOs can render training, including in the skills areas, to those engaged in small enterprise development (SED) <sup>5</sup>.

Among them would be:

MEDA (Mennonite Economic Development Associates)

The Small Business Development Program of MEDA aims to improve the economic viability of small businesses through services that increase income, create jobs, foster linkages with the local economy and encourage the self-development of communities. MEDA does so by lending small amounts of money (generally under \$500) for short periods of time at reasonable rates of interest. Clients who borrow money receive training in various management skills applicable to their business. Loan repayments go into a revolving loan fund to capitalize future projects.

One major difference in MEDA's program is that they offer loans only to micro-enterprises that are in the productive sector. Institutions like ACCION, in contrast, have successful credit programs among micro entrepreneurs by offering both productive and commercial loans (eg. vendors of all types). Yet ACCION's well-acclaimed fame derives from the well-trained staff and loan clients resulting in 98% repayment rates.

Finally institutions like FUNDE need to consider including or amplifying their training component for both the urban and rural sectors that they service. FUNDE's capacity to handle current and anticipated credit resources should be balanced with a well-executed training program.

Training for Agricultural Production. Under the new Government the agricultural sector will certainly play a key role in reinvigorating the Nicaraguan economy, both because of its potential to provide employment and because of the possibilities, with the introduction of a more stable, market oriented economy, of making agriculture economically viable.

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expended have not resulted, in any economic advancement.

<sup>5</sup> SED - can include individual micro-entrepreneurs, micro industries from one to five persons or small/enterprises from 15 to 50 people.

Nicaraguan NGOs, have been active in agricultural development projects, working with small, independent producers. Their efforts have included: providing start-up agricultural credit for inputs; establishing rotating funds; and providing technical assistance. The need for continued NGO/PVO support in providing rural credit, training and technical assistance will continue to grow. Additionally, as Nicaragua's agricultural sector becomes more market oriented, producers will need to learn new skills to adapt to their changing environment.

If the GON wishes to take advantage of the NGO/PVO community with its rural outreach to the most marginal communities attention must be given to training programs in project design, implementation and evaluation, strategic planning, program administration, organizational development and specific technical subjects that bear on their field services.

Among the NGO/PVO community with potential to meet the training needs of the agricultural sector would be FUNDE, INPRHU, CINASE and CEPAD among the local NGOs and FINCA, Technoserve, CARE, ADRA and CRS among the US/PVOs.

#### **4. Employer Initiatives in Nonformal Vocational Training**

##### Employer Initiatives in Nonformal Vocational Training

Employers around the world often choose to develop their own training programs for meeting the specific needs of new employees and for meeting the skill upgrading needs of existing employees. Hundreds of these training initiatives are executed each year in Nicaragua by employers. The quality of training, however, depends on the employer's ability to identify and define training needs, and then identify the most appropriate source for providing this training using their own personnel as trainers or by contracting external trainers.

While some employers have reported successful training programs for meeting their needs, it was not possible to include an evaluation of the results of training as compared to the pre-training productivity levels of trainees. Other companies have not had the time or expertise to define training objectives in a manner in which they could be easily and objectively measured. Others could not identify in-plant personnel for executing the training and as a consequence there is often a preference for contracting other people or institutions to provide these services, but these arrangements often make training more expensive for employers.

Employer initiated training could be encouraged on a much wider basis if mechanisms would be defined for allowing employers to deduct their direct training costs from the 2% SINACAP salary tax, with appropriate safeguards from SINACAP to assure that training actually takes place and meets the specific training objectives defined for the instructional program.

In addition, SINACAP could play a much more significant role in financing, contracting and providing industry specific training for employers based on employer defined needs.

1) Instituto Centro Americano para la Administracion de Empresas: INCAE was founded 25 years ago with USAID assistance to provide graduate studies and short-term business administration programs for Central America. Over the years INCAE has also developed the capability to reach a much wider range of training needs. They have provided training programs for municipal and cooperative management, small and micro business management, health care management, banking, and other areas.

The quality of instruction is very good and participants have generally been very satisfied with the training they have received. The costs of providing this training, however, are high and range from about \$7 to \$15 per participant hour of instruction. None-the-less, INCAE has a proven delivery record and provides an excellent alternative for contracting topic specific training for employers.

2) Professional and Business Associations also provide training programs and periodic seminars on topics of interest for their members and the general public. While vocational technical training programs are less common, associations like CONAPI and the Chamber of Commerce provide training in areas such as apparel, woodworking, and business management. Associations of this nature could assist in identifying training priorities and could become more significant sources of training. They could also receive funding from SINACAP for executing high priority training programs if the 1986 SINACAP law is implemented.

3) Other Public Sector Training Sources include the Ministry of Economy's small and micro business program which is reaching approximately 450 people. While this source of training is still being established it is meeting some of the higher priority needs of small and micro businesses in the areas of apparel, woodworking, shoemaking and leather working. Costs on participant hour of instruction costs and rates of return on training investments, however, are not available at this time, and they are probably relatively costly because of the experimental nature of these programs.

## 5. A Summary of Vocational Training Issues in Nicaragua

In this section, we provide an analytic assessment of the critical problems faced by training institutions in Nicaragua today. The key problems we discuss are:

- a) excessive training costs,
- b) personnel problems,
- c) inadequate curricula and inappropriate training methods,
- d) poor linkages with local employers, and
- e) underutilization of training centers.

### a) Training Costs

The personnel at each training center visited expressed concern regarding their current levels of financing. Some centers are experiencing serious maintenance problems, equipment has fallen into disrepair, shops lack training materials and the quality of training is suffering as a consequence.

Training centers are also experiencing relatively high turnovers of personnel because instructors' salaries are lower than those of skilled workers in the private sector or in state owned enterprises. This makes it difficult to contract competent technical people with productive skills and experience. In spite of these problems, there are other skilled technicians who are remaining in training centers, hoping that things will improve, and who believe that their continuing efforts for Nicaragua are important for the future of the nation. But family and other economic responsibilities can be expected to cause additional turnovers in key positions and for instructors.

While it might not be possible to provide substantial increases in funding for covering the operational costs of training centers over the short-term, adjustments must be made to avoid a further erosion of training capacity and for obtaining more acceptable levels of internal and external efficiency for meeting national training needs.

Table 6 provides a summary of training costs based on the individual budgets of several of the training programs visited. The table shows that some training centers have participant hour of instruction costs which are significantly less than those of the smaller SINACAP centers in Chinandega and Boaco. While salaries for MED instructors are somewhat lower than those of SINACAP, the primary cause in the difference in costs are the lower economies of scale of SINACAP in these centers.

Table 6: Vocational Instruction Costs in Nicaragua in U.S. Dollars

Institution	Location	Part/Hour Costs*	Annual Budget*
SINACAP (Industrial)	Managua	\$0.40	\$285,000
SINACAP (Industrial)	Chinandega	1.19	171,600
SINACAP (Ag.Mech)	Chinandega	1.42	84,000
SINACAP (Artisanal)	Boaco	1.68**	135,000
MED (Industrial)	Leon	\$1.08	\$891,000
MED (Industrial)	Managua	0.15	91,000
MED (Industrial)	Granada	0.31	228,200
MED (Agriculture)	Juigalpa	0.42	80,428
Centro Juvenil Don Bosco	Managua	\$0.46	\$ 75,000

\* Calculated on the basis of CO 1.4 = \$1. SINACAP costs do not include salaries for the central office; participant hour of instruction costs are increased to an average of about \$2.00 when these costs are included.

\*\*Projected cost for 60 students and an annual budget of \$135,000

Table 7: Comparative Data on Personnel for Nicaraguan Vocational Training Centers

Institution	Location	Instructors*	Administrative Personnel**	Ratio Admin/Inst
SINACAP (Ind)	Managua	35	40	1.1
SINACAP (Ind)	Chinandega	11	17	1.5
SINACAP (AgM)	Chinandega	8	21	2.6
SINACAP (Art)	Boaco	4	13	3.2
		58	141***	2.4
MED (Ind)	Leon	54	40	0.7
MED (Ind)	Managua	46	46	1.0
MED (Ind)	Granada	46	64	1.4
MED (Ag)	Juigalpa	16	14	0.9
	****	162	164	1.0

\* Instructors include part and full-time instructors

\*\* Administrative personnel include Directors, Sub-Directors, bookkeepers, secretaries, cooks, cleaning personnel, security, and other employees.

\*\*\* Includes 50 personnel in the central office of SINACAP.

\*\*\*\*Average ratio for the representative MED centers visited.

When SINACAP's central office staff's salaries are included in calculating training costs, the national average of training costs for SINACAP is approximately \$2.00 per participant hour of instruction. The primary cause of these high costs is SINACAP's centralized administrative system which was designed for managing much larger group of students and a wider range of training programs. SINACAP's participant training costs could be reduced as larger economies of scale are obtained through training larger numbers of people.

#### **b) Personnel Problems**

Table 7 provides comparative data on personnel for Nicaraguan vocational training programs. Table 7 reveals very high ratios of administrative personnel as compared to instructional staff with a range of 0.7 to 3.2 administrative and support personnel for each instructor employed by the training center. These figures become even more skewed towards administration when the central office staff of SINACAP is included, increasing the ratio to an average of 2.4 administrators and support personnel per instructor for SINACAP.

These ratios are much lower for MED vocational training in other countries, such as Honduras (with 0.4 administrative personnel per instructor) or Colombia (0.6 for SENA in Colombia).

While MED and SINACAP centers with dormitories and cafeterias require additional personnel for these areas and it should be recognized that this increases the need for support personnel, Nicaragua's administrative/instructor ratios are substantially above those of other nations in the hemisphere and personnel adjustments could probably be made for increasing the cost-effectiveness of training.

This study also noted that very few Directors of vocational training centers had received any formal instruction in vocational trades or vocational education management. This is not a serious problem if the Director has technical interests and aptitudes, and is sincerely interested in learning about the special needs of vocational training (the maintenance of shops and equipment, replacing tools as required, keeping equipment updated and repaired, never allowing a training area to be without materials, maintaining close ties with employers for assuring optimal external efficiency, achieving optimal levels of internal efficiency, etcetera).

Very few Directors and only a limited number of instructors have had experience working in the private sector or state owned enterprises where the majority of their graduates will be seeking employment. And, salaries for instructors and supervisors are lower than those of the productive sectors. As a consequence it is often difficult to contract or maintain well trained,

experienced technical personnel for executing vocational instruction programs.

**c) Inadequate curricula and inappropriate training methods**

While both the MED and SINACAP provide national guidelines for programs of study in different vocational areas, instructors and Directors of training centers expressed varying degrees of concern on the extent to which employers were involved in defining occupational profiles, competencies and tasks for different trades.

The training centers also reported that their instructors are expected to develop their own training materials. This can be a very time consuming task and is not always the most productive use of instructors' time, particularly for instructors who have had limited pedagogical and technical preparation. Consideration should be given to developing training materials (texts or modules) which could be used nation wide in basic technical areas by both formal and nonformal vocational institutions so that instructors can concentrate on teaching, rather than curriculum development.

It was noted that audio-visual (AV) teaching aids are not in wide use. While overhead projectors are used with more frequency, most centers lack AV equipment and materials for enhancing instruction.

Several Directors of centers expressed interest in improving their instructional methodologies and moving towards a more flexible, competency based, individualized system. Several models of this methodology are available in the region and are briefly discussed below.

**d) Poor linkages with local employers**

There is a strong need for improved collaboration of the Private Sector, Community and Government in vocational training. Based on interviews with the Directors of vocational training centers, it appears that there is interest in improving communications with the communities they serve and the private sector, but the degree to which Directors would like increased participation in program management and evaluation varies.

Table 8 below summarizes the replies of the personnel interviewed and notes their preferences for the increased participation of the government, private sector and community in the functions of their institutions.

Table 8 shows that the Directors of training centers are most interested in obtaining the assistance of the private sector in identifying training needs, placing graduates in employment,

for obtaining shop materials and agricultural equipment assistance (or advice) in the areas in which they are providing instruction. There was no area where 100% of the Directors felt that increased community participation would be desirable, and the increased participation of the government was requested for defining occupational profiles, evaluating or certifying graduates, developing plans of study, and providing advice on the purchase of tools and equipment.

**e) Underutilization of training centers**

All of the training centers expressed interest in increasing their training services and are prepared to offer training programs for employers on an in-plant basis or in their training centers. In each case, however, Directors and personnel explained that their current budgets were not sufficient for covering the costs of additional training programs and that some form of support would be required for covering the costs of the training.

It was also noted that with the exception of the SINACAP center and the MED's Instituto Nacional Tecnico Vocacional Managua, the remaining training centers are using less than 60% of their training capacity from 7:00 AM to 2:00 PM, and have no students until the following morning, which could allow an additional three shifts of instruction if warranted. The Directors of the centers explained that they could not offer additional courses because of funding constraints, but expressed hope that current economic difficulties could be overcome and that additional training opportunities could be offered by their centers in the future.

Most of the training centers expressed hope of expanding their training areas in the coming years but the only institutions which appear to be assured of funding for expanding their offerings are the Salesian training centers which will receive approximately \$1,500,000 from USAID and the Managua SINACAP center which will be building and equipping new shops for automotive mechanics, refrigeration and air conditioning with \$2,000,000 in assistance from Germany and the possibility of approximately \$1,500,000 in funding from Holland for mobil instruction units in rural areas.

Table 8: Training Center Directors' Preferences for the Increased Participation of the Private Sector, Community and Government in Vocational Training

Area of Participation	Desires for Increased Participation of:		
	Private Sector	Community	Government
Identifying Specific Training Needs	100%	62%	75%
Defining Occupational Profiles	75%	50%	100%
Evaluating or Certifying Graduates	89%	37%	100%
Placing Graduates in Jobs	100%	50%	75%
Following-up on Graduates to Evaluate Performance	62%	50%	89%
Developing Plans of Study	75%	75%	89%
Obtaining and Developing Instructional Materials	75%	62%	75%
Advice on Purchasing Tools and Equipment	62%	25%	100%
Obtaining Shop Materials for Instruction	100%	25%	75%
Evaluating or Certifying Instructors	37%	37%	89%

However, there seems to be little justification for expanding training facilities at the present when the majority of the centers are not using their full capacity for providing training. When there is sufficient demand for vocational training, a center should be expected to function up to 24 hours a day, rather than from just 7:00 AM to 2:00 PM. For example, the manufacturer of Boeing aircrafts provides job entry level training for potential employees during four shifts (24 hours a day); similarly, Miami Dade Community College, the Hobart School of Welding Technology in Ohio, and many other institutions have provided instruction during 24 hours a day to assure maximum opportunities for training and for meeting employers' needs.

While local institutions may not be accustomed to this schedule, it would be much more cost-effective for the Government of Nicaragua and international donors to support programs of this nature by strengthening existing facilities and providing funding for instructor and supervisor training, more appropriate training materials and methodologies, upgrading the centers in terms of equipment and tools for centers which are poorly equipped and provide bus services for evening and AM classes for job entry level skills for the unemployed rather than building new centers in urban areas. In addition, mobile training units could be used for meeting training needs in less populated areas.

If the SINACAP law is implemented and the institution begins receiving its potential income, a continuing source of funding could also become available for "contracting" the unused training capacity of existing MED enters for providing additional training opportunities.

## **6. Specific solutions and ideas to solve key problems in training**

### **A. Cost cutting ideas**

The "La Salle" training center in Leon has higher costs than other MED centers *but the quality of training is often much higher* as well. MED funding covers only a small portion of the annual budget of La Salle while the institution obtains funding from other sources for the remainder of its needs. This is an attractive alternative for the government, which should be encouraged when institutional arrangements make this possible, since the MED's costs for providing high quality training at La Salle are much less than their own costs would be in other centers.

Another cost cutting alternative is provided through integrating production activities with instruction, executing these activities as complementary learning activities for applying the new skills and abilities of students. At least one PVO training center in Nicaragua is recovering over 50% of its recurrent costs in this manner. Various PVO training centers are also covering 50% of their operating costs in Honduras through integrating production with instruction. This alternative for reducing training costs for the MED and SINACAP should be encouraged for providing additional opportunities for students to practice their skills and for income for training centers.

It was also noted that most of the training centers visited expressed interest in receiving private sector advice and

collaboration for increasing their productivity and broadening their production activities. This type of collaboration between the private sector and training institutions could serve as a beginning for much stronger ties between the two sectors and should be encouraged.

Finally, and probably most important, improved rates of internal and external efficiency could assure improved cost-effectiveness for utilizing the funding available for vocational training. Training costs could also be reduced for both the MED and SINACAP by making personnel adjustments as discussed below.

#### **B. Solutions addressing personnel issues.**

Experience in Nicaragua and other nations, however, has shown that many Directors of academic high schools do not make successful transitions in becoming Directors of vocational training centers. More emphasis should be placed on preparing successful vocational technical instructors for managing and supervising these institutions.

A forthcoming World Bank study on education in Nicaragua also estimates that over 70% of the MED's vocational training instructors have only Tecnico Basico or Tecnico Medio degrees. Our interviews in training centers also revealed that only a minority of the instructors have had formal pedagogical preparation, technical work experience in the private sector, or post-secondary technical studies.

While current austerity measures may not permit substantially higher salaries for instructors at the present, Nicaragua will probably witness lower quality instruction, accompanied by further declines in internal and external efficiency, if adequate funding cannot be provided for contracting and maintaining experienced technical personnel as instructors, supervisors and Directors. Consequently, lower salaries might not be in the best interest of cost-effectiveness in training and could easily result in further declines in the cost-effectiveness of training.

#### **C. Solutions for Inadequate Curricula and Inappropriate Training**

As discussed above, Directors at SINACAP indicated an interest in improving their instructional methodologies and moving towards a more flexible, competency based, individualized system. Several models of this methodology are available in the region and are briefly discussed below.

SENA's "PIM" system in Colombia was developed over the past decade as SENA began moving away from more traditional instructional strategies. PIM is a system which encourages

permanent learning or "learning to learn" for continuing career development. It is individualized for "learning to be" and allowing people to learn at their own pace, during flexible hours; and it is modularized for allowing people to focus on what they want to "learning to do," for allowing a more specific focus on individual needs for increasing productivity and employment opportunities.

Similarly, the Honduran Advisory Center for Human Resource Development (Centro Asesor para el Desarrollo de los Recursos Humanos: CADERH) has developed a wide range of low cost, individualized, competency based instruction (CBI) materials with accompanying videos to enhance instruction for trades which include industrial mechanics, welding, woodworking, electricity, auto mechanics, sewing and tailoring, industrial maintenance, quality control in coffee growing, secretarial skills, bookkeeping and other areas. (Note: Examples of these modules can be obtained from USAID in Nicaragua).

The advantages of SENA's PIM and CADERH's CBI methodologies are based on encouraging trainees to view their training as a life-long and permanent endeavor. The attention given to students while they are in training is individualized, with students accepting responsibility for their own progress. Trainees proceed at their own pace. Curricula are modularized in relatively short pamphlets from about 35 to 45 pages each. Training centers and trainees can select the specific modules required for assuring employment or the upgrading of skills on an individualized basis; thereby allowing vocational training participants to enter a more permanent training curricula following a "career ladder" approach to learning.

This provides the additional advantage of allowing training centers to admit formal, nonformal, skill upgrading and job entry level trainees, and different age groups into the same shop during any time of the day; thereby avoiding the necessity to having different shops, hours, and instructors for teaching different levels and modes of instruction in the same trade.

Trainees can also challenge a module by taking a practical and theoretical test on the competency if they possess the skills covered by the module; and then move on to the next competency or task of the trade. This moves participants through the system faster and encourages a better use of training resources.

These factors allow for higher levels of cost-effectiveness and internal efficiency because trainees can be admitted during any time of the year, as one trainee completes his/her training, or drops out of the program, a new trainee enters the program without having to wait for the beginning of the new school year to begin. In this manner, training needs can be met in a more flexible manner, and all work stations and instructional

resources can be put to optimal use throughout the year.

PIM and CBI also encourage higher levels of mastering trade skills since trainees demonstrate their mastery of each competency and task before moving on to the next instructional unit; rather than promoting welders, mechanics, or secretaries who have only mastered 70% or 80% of the skills of the trade because of pressures for moving the full group along the learning path, without time to assure that each individual masters each specific skill.

Finally, higher job placement rates (increased external efficiency) can be achieved because of a higher mastery of skills and allowing trainees to graduate from training programs throughout the year, as they complete their training. Experience in various nations has shown that it is much easier to place vocational training graduates in jobs when they are not all graduating at the same time, and it allows employers to have a continuing source of new skilled employees throughout the year.

The MED, SINACAP, other training institutions and international donors should consider PIM and CBI methodologies for improving the internal and external efficiencies of training, for defining training objectives which will be easily measured, making both trainers and trainees more aware of what exactly is to be accomplished, encouraging higher levels of cost-effectiveness in training, and relieving instructors from the tasks of developing their own training materials in each of the nation's training centers.

**D. Apprenticeship Training: Helping to Tailor Training to Specific Training Needs in Nicaragua**

The learning experiences of life and work are also important sources of training for many people. While there is no data available on the number of apprentices who are learning trades as helpers in small shops and businesses, it is estimated that these young people outnumber all of the participants in formal and nonformal vocational training in Nicaragua.

Apprenticeship training can be a very cost-effective alternative for developing a skilled human resource base and should receive more attention in Nicaragua. Often, however, the informal nature of the apprenticeship and the fact that most apprenticeships are available in smaller businesses and shops with lower levels of technological development, results in the replication of the same low levels of technological literacy and low productivity.

These apprenticeships could be strengthened by moving them into the nonformal sector of training. For example, SENA in

Colombia develops contracts between employers and apprentices, and allows employers to pay the apprentice a salary of approximately 50% of the minimum wage during the apprentice's first year with the employer. During this period the apprentice works for the employer approximately four days a week and receives vocational instruction at SENA during the remaining day/s or in the evenings. The apprentice's salary then increases as his/her productivity increases as a consequence of training and work experience.

Employers, however, must provide apprentices with opportunities to practice their new skills and SENA instructors make regular visits to the apprentice's place of employment to assure that apprentices and employers are honoring their agreement and to provide on-site training as required. (See Appendix -- for a copy of the SENA contract used for employers and apprentices).

A similar system is the German "aprendizaje dual" which has been in use in the region for a number of years. Under this arrangement the apprentice works for the employer four or five days a week and receives instruction in a national training institute during the remainder of the week. These types of alternatives are cost-effective, attractive for both employers and employees, and provide more structured and planned learning activities for assuring a higher level of technological development for participants.

Another alternative which has been suggested by INCAE would be to establish "business incubators." More traditional applications of this concept are being used successfully by the Universidad Tecnologico de Monterey (Mexico), University of Houston (U.S), and other universities in the Americas. It is beginning to be applied by the Universidad Tecnologico de Centro America (Honduras), and also has some similarities with programs for Empresarios Juveniles (Gerentes y Empresarios Asociados de Honduras) and Junior Achievement in the U.S.

The variation proposed by INCAE would be to establish apprenticeships with key businesses which are in demand and can be relatively easily replicated. Employ young people and adults as apprentices in these businesses (incubators) while providing nonformal small/micro business management and technical training required for replicating the business. This would take place over a period of approximately three months.

Approximately 15% of the trainees should demonstrate entrepreneurial aptitudes and skills. These people would then be assisted in establishing micro businesses and the remaining trainees would be prepared for employment in these and similar establishments. Those who were not initially selected for establishing micro enterprises could also return to the micro

business management program after having worked in another micro establishment for a period and gained more experience. This is an interesting variation of business incubation, a general concept which has worked on other levels in various nations, and could also be considered as an alternative for broadening training opportunities through apprenticeships in Nicaragua.

## 7. Addressing Specific Training Needs Identified in Chapter 2

Meeting Short-Term Private Sector Training Needs. Private sector employers are reporting training needs in several areas which the training community should be responding to.

1) Construction Equipment Maintenance and Repair: While neither the formal nor the nonformal training sectors currently provide training which is directly oriented towards construction equipment maintenance and repair, SINACAP's agricultural mechanization programs in Chinandega and the MED's agricultural mechanization programs could serve as a base for providing technicians for construction equipment maintenance and repair. And, if additional training is required, SINACAP should be able to provide short course for existing agricultural equipment technicians for meeting the construction sector's needs.

2) Industrial Equipment Maintenance and Repair: SINACAP, the MED and at least one PVO provide training in industrial mechanics (lathe, milling machine, heat treatment, and precision rectifiers). But this training does not prepare people for maintaining industrial equipment, diagnosing equipment problems or obtaining maximum productivity from industrial machines. However, the preparatory training of industrial mechanics would provide the basics for industrial maintenance mechanics.

Similarly, the basic preparation for electricity and electronics would provide a point of departure for preparing electrical maintenance technicians. Rather than attempting to design courses for industrial and electrical maintenance technicians, it would probably be more cost-effective and much quicker to simply to purchase these training materials. These training materials, with accompanying videos, are available in Spanish from M<sup>2</sup> and other companies in the U.S., and are being used with success in many Latin American countries. The training programs could probably be delivered in the nonformal mode by SINACAP, and could also provide attractive new trade areas for a MED training center like "La Salle" in Leon.

3) Training for Middle Managers and Supervisors: There are several alternatives available for providing training in

these areas. One of the most widely used training programs for supervisors is from the International Labor Organization (ILO) and available in Spanish. If SINACAP does not have these training materials they can easily access them from the ILO and sub-contract instructors from the private sector or other sources for providing the ILO supervisory training program. The national training institute in the Dominican Republic is using this strategy for filling needs for additional supervisors for export industries with good results, and sub-contracts local universities and instructors for providing the training.

INCAE in Nicaragua or GEMAH in Honduras could also provide training programs in this area and could be contracted directly by employers or through SINACAP for meeting training needs in this area.

4) Computer Skills for Managers and Administrative Personnel: This type of training is normally provided by private companies specializing in computer training. Several of these types of businesses exist in Nicaragua and as the economy begins to expand, one could anticipate that additional computer training sources will emerge from the private sector. INCAE could also provide instruction in this area.

5) Meeting Other Short-Term Training Needs: One can anticipate that many more short-term training needs will be emerging as the economy expands. However, it will be difficult for the training community to respond to these needs, or even be aware that needs exist, if employers and trainers do not establish mechanisms for defining and prioritizing these needs. Alternatives for improving communication between employers and trainers will be discussed in more detail below.

Meeting Private Sector Training Needs Over the Longer-Term. Interviews with private sector business people indicate that the owners and managers of these businesses are planning to invest in upgrading their equipment and production technologies, and are anticipating a 30% increase in the number of their employees by 1992. If economic reform measures obtain the desired effects, this increase could be achieved. Technology upgrading and expanded employment opportunities will place increased pressures on the nation's training institutions for providing additional technicians and skilled workers as the existing pool of unemployed or underemployed people is reduced.

However, even if the demand for technicians and skilled workers increases as a consequence of economic expansion, it would be difficult to justify substantial increases for the budgets of training institutions unless these increases are

accompanied by increases in the internal and external rates of efficiency in training centers.

Consequently, if training needs are to be met in a cost-effective manner for employers and the nation of Nicaragua, employers and the training community must work together for improving rates of efficiency. This could be accomplished in the following manner.

1) Improving orientations for students before they enroll in a given trade or level of training should reduce the danger of having students dropping out because they find the training to be different than what was expected. These orientations could include meetings with prospective students and their parents for explaining what each training alternative can provide; salary, employment, and working conditions upon graduation; and the longer-term projections of employers for the future demand for the trade.

Aptitude testing and counseling could also improve the selection of students. And giving students the opportunity of circulating from area to area (shop to shop), studying and working in different training shops prior to enrolling or during a trial enrollment period of at least one week in each shop, prior to formally enrolling the student in a specific trade area, should reduce dropout rates.

2) Assuring that training centers have appropriate training resources should also reduce dropout rates because students will not become frustrated or bored because of a lack of equipment, tools, shop materials, and instructional materials.

3) Currently, the most common method of imparting technical information is through a lecture with the student taking notes on what the instructor says. Traditional methodology also expects each student to progress at the same rate as others, so that the group can be moved through the training program at the same rate. Under these conditions slower students experience difficulties and demonstrate lower levels of mastery of trade competencies and tasks or simply fall behind the group and dropout. Other students who learn more rapidly become bored because the group is moving too slow for his or her learning capability. These students also dropout of training because they sense that the training is not up to their capabilities. An alternative would be to use more individualized methodologies and training materials like SENA's PIM or CADERH's CBI strategies as previously mentioned in this chapter.

This could also allow for the open-entry and open-exit

of students and graduates. It is almost inevitable that some students will dropout during the course of training and this leaves an unused learning opportunity which another student could use if open entry mechanisms were developed for enrolling new students at the beginning of each month, using modularized and individualized competency based instructional strategies. Under this alternative, a wider variety of exit points could also be defined for allowing students to leave the system and obtain employment once they have mastered the specific competencies required for employment, and then continue studies at a later date as higher level competencies are required in a career ladder type of approach for providing training. In addition, students who learn more rapidly can progress through the system more quickly and allow others to enter training programs rather than waiting for the entire group to catch-up with faster learners.

Finally, strategies of this nature also assure that each student will obtain full mastery of each of the critical competencies and tasks of the trade, for assuring higher levels of employment and thereby improving the external efficiency of training. Ideally, the MED, SINACAP and PVOs would endorse the same competencies, standards, and training materials so that a national trade certification system could be established for allowing people to pass from the formal to the nonformal training system, and visa versa, without being required start at the most basic level for beginning their training. This would also help reduce the artificial barriers between formal and nonformal technical training.

4) Articulations between employers' training needs and training curricula should be improved to assure that the training community is preparing young people and adults in the specific areas required by employers.

5) Interviews with employers indicated that there has been an erosion of responsibility on the part of the workforce over the past decade. New employees must be carefully supervised because of increase thefts, a lack of care for expensive production equipment and tools, and little concern for quality control or cost-effectiveness.

At least one Director of a training program also noted that his training center was successful in obtaining employment for graduates because this center provided serious young graduates and is recognized by employers as a reliable source of responsible new employees.

The teaching of "employability skills" is becoming increasingly popular in the U.S. and other countries because

technical training sometimes has the tendency to neglect other skills and attitudes beyond the specific technical area being taught. But employers are also interested in creativity, responsibility, positive human relations and related attitudes. Young people and adults who are seeking employment often are not aware of the expectations of employers. Regardless of whether the employer is the state or the private sector, employers will normally seek the best qualified person for the job and the person who seems to be the most responsible and knowledgeable candidate. Training centers should be encouraged to teach employability skills for job entry level students and assure that graduates understand the needs and expectations of employers.

6) Instructors, supervisors and training centers should be encouraged to monitor their internal rates of efficiency at least monthly. They should receive orientations on how to calculate these rates and on the importance of achieving higher levels of cost-effectiveness in training. Higher levels of efficiency might also be achieved by providing economic bonuses for higher completion rates and job placement rates for the area in which the instructor is teaching.

7) Apprenticeship opportunities could also be expanded as suggested earlier in this chapter for assuring a wider range of training opportunities for young people and adults, improving the quality of apprenticeship training and elevating levels of technological literacy. Ideally, an expanded apprenticeship program would include economic incentives for employers for accepting additional apprentices, and incentives for apprentices for increasing their productivity as rapidly as possible.

How Employers can Help Improve Technical Training. The responsibility for providing quality technical training has traditionally rested upon training institutions. Training institutions, however, cannot anticipate employers' plans for the future, or be sure that they are meeting employers' needs unless employers improve their communications with the training community.

As noted in a previous section of this chapter, there are a number of areas where the Directors of training centers believe that private sector employer participation with training centers should be encouraged. One of the most critical areas is in defining and prioritizing specific training needs. Advisory Committees made-up of employers, supervisors and skilled workers meet periodically with vocational instructors to assure that training programs are in harmony with employers needs. These types of arrangements should be encouraged in Nicaragua.

In addition, if SINACAP's 1986 law is implemented, employers and employees will be able to plan, control, and evaluate all nonformal training and this could assure excellent articulations between training and employers needs.

Finally, consideration should be given to establishing a national trade certification system with the direct involvement of employers and skilled workers for defining competency standards for testing and certification, and utilize this system for screening applicants for employment openings. Certification systems are normally executed by trade and professional associations, Chambers of Commerce, or other private institutions. SINACAP could also provide the medium for establishing a trade certification system, if employers and skilled workers are given the responsibility of planning, controlling and evaluating training as stipulated by the 1986 SINACAP law.

## TRAINING RESOURCES AND AREAS OF TRAINING AVAILABLE IN NICARAGUA

There are a wide variety of training areas which have been developed over the past several years. These training programs, the institutions which provided the training and the locations of the institutions, are listed below.

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Institution & Location           Training Program
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### SINACAP Fixed Centers

SINACAP Centro Fijo R-II (Chinandega)	Mecanica Automotriz Torno Electricidad Ebanisteria Soldadura
SINACAP Escuela Nacional de Mecanizacion Agricola (Chinandega)	Mecanizacion Agricola
SINACAP Centro Fijo (Bluefields)	Albanileria Carpinteria Corte y Confeccion Secretariado Contabilidad Electricidad
SINACAP Centro Fijo R-V (Boacao)	Carpinteria Talabarteria Metalica Ebanisteria Electricidad Residencial Albanileria Contabilidad Secretariado Kardex Bodega
SINACAP Centro Fijo Nacional (Managua)	Soldadura Ebanisteria Torno Mecanico Automotriz Electricidad Industrial Electricidad Residencial Devanado de Motores Refrigeracion  Aire Acondicionado

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SINACAP Centro Fijo Nacional  
(Managua)

- Carpinteria
- Armador
- Mecanica Agricola
- Corte y Confeccion Industrial
- Corte y Confeccion Artisanal
- Supervision Industrial
- Maestro de Obra
- Secretariado
- Contabilidad
- Kardex
- Bodega

**SINACAP Associated Training Programs<sup>1</sup>**

SINACAP Programas  
para Empresas  
(Managua)

- Electronica Industrial
- Mecanica Industrial
- Control de Calidad
- Mantenimiento Industrial
- Tratamiento de Agua
- Mantenimiento Sanitario de Equipos
- Mantenimiento de Calderas
- Reparacion de Montacargas
- Refrigeracion y Aire Acondicionado
- Tecnologia de Bebidas carbonatadas
- Corte y Confeccion Industrial
- Dibujo Tecnico
- Electronica Elemental
- Reparacion de Maquinas y Equipos
- Afilado de Sierras Sinfin
- Supervision/Control de Produccion
- Seguridad y Higiene de Trabajo
- Secado de Madera
- Almacenamiento y Manejo de Madera
- Planificacion Silvicultural
- Reparacion de Motosierras
- Operacion de Equipo Forestal
- Plantaciones Forestales
- Viveros Forestales
- Proteccion Forestal
- Ajuste Mecanico
- Medicion de Precision
- Control de Temperatura
- Soldadura Especial
- Uso de Maquinas de Trefilado
- Manejo de Maquinas Galvanizadas

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<sup>1</sup>In addition to the fixed centers, SINACAP offers training onsite. The following programs have been offered at various enterprises with some level of support from SINACAP.

SINACAP Programas  
para Empresas  
(Managua)

Manejo de Maquinarias de Clavo  
Costos de Produccion y Precios  
Armado Estructural  
Tecnicas de Soldadura  
Electricidad Automotriz  
Mecanica Automotriz  
Oficios Basicos de Construccion  
Linotipo  
Levantamiento de Texto  
Tipografia  
Topografia  
Administracion de personal  
Tecnicas de Direccion  
MS- Dos Pascal  
D-Base I, II, II, Fortan 77  
Mantenimiento de microcomputadora  
Mod. R-30  
Organizacion del trabajo y manejo  
de grupos  
Cartografia  
Geodesia y Cartografia  
Geologia Volcanica  
Hidrografia  
Mantenimiento de estaciones  
automaticas  
Mateorologias tropical  
Observadores y anotadore  
de nivelicion  
Planificacion de redes  
hidrometricas  
Restitution fotogrametrica  
Activo Fijo  
Auditoria Interna  
Auditoria Aduanera  
Harware Software de Chequeo [sic]  
Harware preventivo [sic]  
Norton Utility  
Word Perfect  
Lotus 1-2-3  
Servicios Bancarios  
Creditos Agropecuarios  
Politica Financiera  
Contabilidad Basica Y Bancaria  
Tecnicos de Socorro en caso de  
Desastre  
Guardad Vidas  
Cursos en el Area de Servicio  
Cursos para dirigentes  
Electricidad Basica  
Electricidad Residencial  
Electromecanica  
Electronica Digital

SINACAP Programas  
para Empresas  
(Managua)

Rectificadores  
Convertidores de Voltaje  
Generadores de Voltaje  
Motores  
Devanado de motores  
Transferencia Automaticas  
Sistema Multiplex  
Sistema EMD  
Sistema ATZ  
Sistema ESK  
Instalador Reparador  
Mesa de Prueba  
Lineros  
Cablista  
Empalme de Cable  
Sistema de Radio  
Telefonia  
Antenas  
Television  
Postal Telegrafico  
Telegrafia  
Cartero  
Administrador de Correos  
Operador Internacionales  
Exportaciones y Comptitividad  
Modernizacion Gerencial  
Gerencia Agroindustrial  
Gerencia Cooperativa  
Gerencia Hotelaria  
Desarrollo Comuna  
(y otras por solicitud)  
Bombas de Inyeccion  
Cartografia  
Electricidad Basica Industrial  
Mecanica Automotriz  
Mantenimiento de Veiculos  
Meteorologia Tropical  
Tecnificacion de Aire Condicionado  
Tecnificacion de Maquinas I.B.M.  
Administracion de Proyectos  
Administracion Financiera  
Control de Inventarios  
Calificacion y validacion  
de cuentas  
Calculo de Costo y Presupuesto  
Organizacion Cooperativa  
Administracion Cooperativa  
Gestion Cooperativa  
Especialidades de cada  
Cooperativa  
Manejo de lineas de Produccion  
Administracion y Control- Bodega

SINACAP Programas  
para Empresas  
(Managua)

Practicas de Manufactura  
Presupuesto  
Contabilidad  
Finanza Internacional  
Administracion y Programacion  
Presupuestaria  
Mantenimiento General  
Tecnicas Opticas de Ventas  
Optica y Procesamiento  
Programacion de Introduccion  
a la economia y planificacion  
Presupuesto  
Auditoria  
Direccion de la Economia  
Ley y Reglamento de Seguridad para  
Social  
Control Interno de Donaciones  
Control de Calidad de Billetes de  
Loteria

SINACAP Programas  
para Empresas  
(Tipitapa)

Veterinario  
Sasteria  
Granos Basicos  
Mecanica Automotriz  
Armado de Hierro  
Albanileria  
Zapateria Artesanal  
Carpinteria  
Soldadura  
Ladrilleria  
Maquina Agricola  
Electricidad Residencial

SINACAP Programas  
para Empresas  
(Leon)

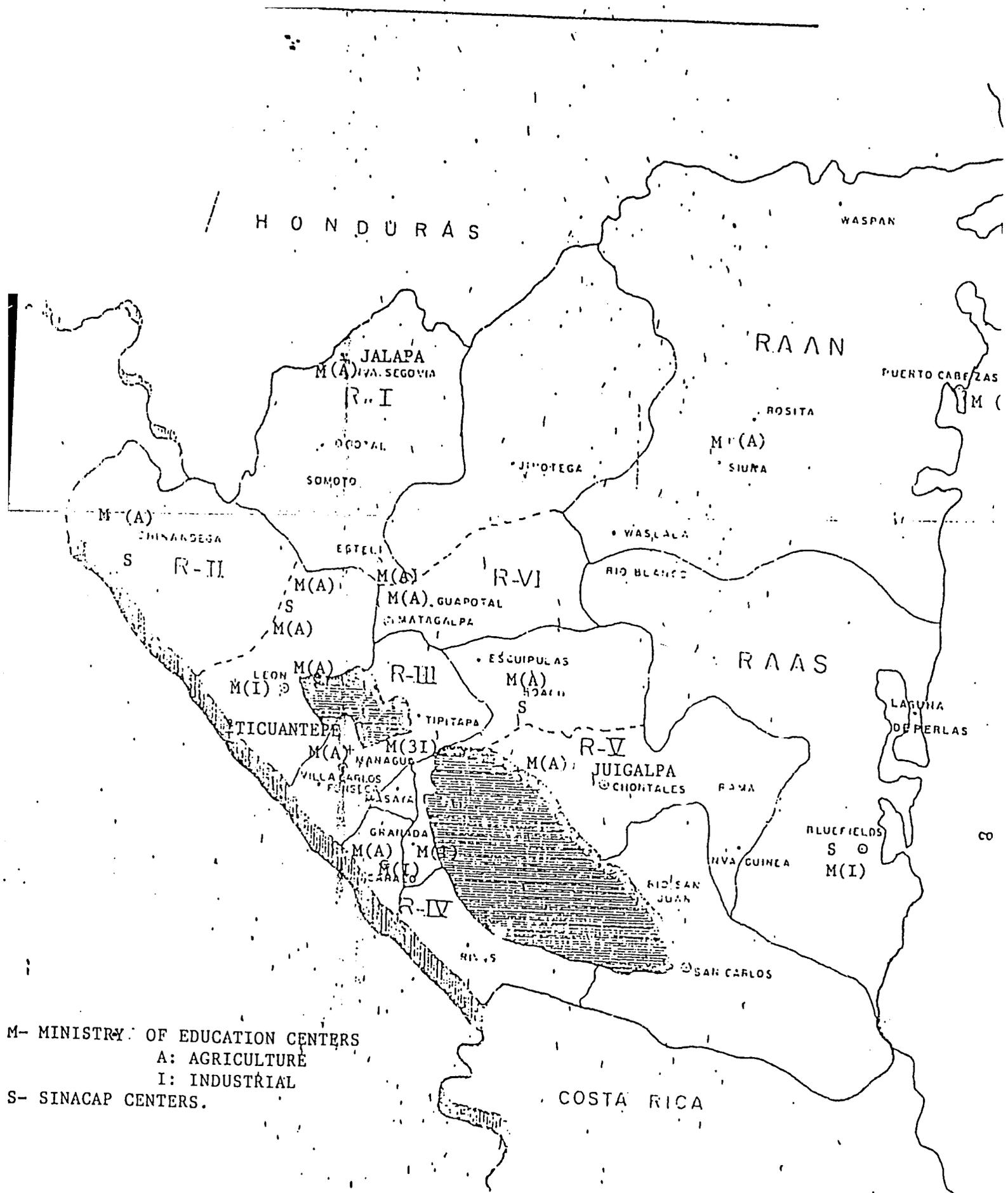
Albanieria  
Carpinteria  
Pintura  
Herreria

### **Ministry of Education Programs**

Ministerio de Educacion  
(Managua)

Mecanica Automotriz  
Maquinas y Herramientas  
Ebanisteria  
Construccion Civil  
Refrigeracion  
Electricidad Basica  
Electricidad Industrial  
Mecanica Industrial  
Dibujo Arquitectonico  
Electronica Industrial  
Electricidad Industrial  
Devanado de Maquinas

Ministerio de Educacion (Managua)	Corte y Confeccion Sasteria Gastronomia Audio Transmision Conmutacion Postal Telegrafico
Instituto Politecnico, "La Salle" (Leon)	Soldadura Ebanisteria Electricidad Industrial Mecanica Automotriz Foto Mecanica Electricidad Industrial Mecanica Industrial
Instituto Tecnologica Nacional (Granada)	Maquinas y Herramientos Mecanica Automotriz Electricidad Industrial Construccion Civil Ebanisteria Electronica Industrial Quimica Industrial Mecanica Industrial
Instituto Politecnico "Ernest Thalmann" (Jinotepe)	Sasteria Fontaneria Mecanica Industria Mecanica Automatriz Electricidad Industrial
Instituto Heroes y Martes de Puerto Cabezas (Puerto Cabezas)	Electricidad Industrial Mecanica Automotriz Construccion Civil Corte y Confeccion Electridad Industrial Mecanica Automatriz
Instituto Nacional Tecnica Cristobal Colon (Bluefields)	Construccion Civil Ebanisteria Electricidad Industrial Motorista Naval Patron de Altura Corte y Confeccion Maquinas y Herramientos Mecanica Automotriz Mecanica Naval



HONDURAS

WASPAN

RAAN

PUERTO CABEZAS

JALAPA  
M(A) IVA. SEGOVIA

R-I

ROSITA

M(A)  
SIUNA

OCOTAL

JIMOTEGA

SOMOTO

M(A)

CHINARDEGA  
S  
R-II

EPELI

WASULALA

RIO BLANCO

M(A)

M(A)

R-VI

M(A) GUAPOTAL

MATAGALPA

M(A)

RAAS

ESQUIPULAS

M(A)

LEON  
M(I)

R-III

LATUHA  
DE PERLAS

TICAQUE

TIPITAPA

R-V  
M(A)  
JUIGALPA  
CHONTALES

M(A)

M(3I)

VILLA CARLOS

MASAYA

RAMA

BLUEFIELDS

S  
M(I)

M(A)

M(A)

M(I)

INVA GUINEA

R-IV

RIO SAN  
JUAN

M(A)

M(I)

SAN CARLOS

RIO S

COSTA RICA

M- MINISTRY OF EDUCATION CENTERS  
A: AGRICULTURE  
I: INDUSTRIAL  
S- SINACAP CENTERS.

Calculating Participant Hour of Instruction Costs

The practice of calculating instructional costs on the basis of costs per course, per student, and per graduate can be very helpful for cost-benefit evaluations of different training alternatives. These calculations, however, do not permit one to compare training costs with other courses which have varying numbers of students or hours of instruction. Similarly, these calculations do not easily lend themselves for comparing the costs of different modes of instruction.

As a consequence, participant hour of instruction costs are often used for these types of comparisons and can be particularly valuable for evaluations of both instructional costs within an institution and for comparing the costs of formal, semi-formal, and nonformal instructional programs in a number of different institutions.

Participant Hour of Instruction Costs

ANNUAL BUDGET	+	DEPRECIATION	=	PARTICIPANT HOUR OF
-----				INSTRUCTION COSTS
HOURS OF		NO. OF STUDENTS AT THE		
INSTRUCTION	X	END OF THE YEAR OR		
IN THE COURSE		COMPLETING THE COURSE		

For example, a small nonformal training center which only offers training in carpentry has instructional costs of \$1.35 per participant hour of instruction as calculated below.

(ANNUAL BUDGET)		(DEPRECIATION)*		
\$14,000	+	\$3,280	\$17,280	
-----				= ----- = \$1.35
800 HOURS OF		16 STUDENTS COMPLETE	12,800	
INSTRUCTION IN		THE COURSE AT THE		
CARPENTRY**		END OF THE YEAR***		

\*DEPRECIATION can be calculated relatively easily at the rate of 12.5% of the total capital investment (building, equipment, and tools). To simplify calculations, the depreciation of land is not included because it normally remains the same or increases in value.

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\*\*HOURS OF INSTRUCTION should be calculated on the basis of 60 minutes per hour rather than periods of instruction which are often less than 60 minutes.

\*\*\*STUDENTS who complete the course or finish the school year should be used rather than initial enrollments. In this manner the retention rate of the training program is also a factor in the calculation and a measure of cost-effectiveness in relation to the use of training resources.

The same type of calculation can be made for a vocational high school which offers 12 hours of formal vocational instruction and 28 hours of academic training weekly.

*(PORTION OF BUDGET UTILIZED FOR VOC.ED.)	DEPRECIATION		
\$80,000	\$26,330	\$106,330	
-----		=	----- = \$1.55
** 12 HOURS X 29 WEEKS X 200 STUDENTS		69,000	

\*BUDGET or portion of the institution's global budget which is used for vocational education. These costs include salaries for personnel, shop maintenance, shop materials, and a calculation of the portion of the institution's over all administrative costs which are related to vocational education (12 hours out of 40 hours of instruction are devoted to vocational education = 30% of the instruction; 30% X the total administrative budget provides an estimate of administrative costs related to vocational instruction).

\*\*HOURS of 60 minutes.

Another training institution which offers nonformal instruction for entry level job market skills and for skill upgrading, has average participant hour of instruction costs of \$1.20.

ANUAL BUDGET	DEPRECIATION		
\$10,000	\$4,760	\$14,760	
-----		=	----- = \$1.20
780 + 5,250 + 6,000	PARTICIPANT HOURS	12,030	

Using the same formula one can also calculate comparative costs within an institution for evaluating different levels of cost-effectiveness in the interest of reducing these costs and for identifying the most cost-effective use of limited training resources. While most comparisons of this type will include many more different types of courses, the procedure is the same as the example shown below:

ADMINISTRATIVE BUDGET	DEPRECIATION		
\$3,000	\$600	\$3,600	
-----		=	----- = \$0.30*
TOTAL PART. HOURS OF INSTRUCTION: 12,030		12,030	

\*\$0.30 ADMINISTRATIVE COSTS PER HOUR OF INSTRUCTION. These costs are added to each of the instructional costs listed below to obtain the total participant hour of instruction cost for each of the three training programs.

	Participant Hours Of Instruction
-60 hour skill upgrading course in carpentry with 15 participants who complete their training: 60 X 15	= 780
-350 hour basic skills course in welding with 15 participants who complete their training: 350 X 15	= 5,250
-400 hour course in job entry level skills in the area of tailoring, with 300 hours of instruction during the current year, and 20 participants who were enrolled at the end of the year: 300 X 20	= 6,000
	-----
	Total: 12,030

CARPENTRY SKILL UPGRADING	DEPRECIATION		
\$1,000	\$200	\$1,200	
-----		=	----- = \$1.54*
780 PARTICIPANT HOURS		780	

\*\$1.54 INSTRUCTION COSTS + \$0.30 ADMINISTRATIVE COSTS = \$1.84 PARTICIPANT HOUR OF INSTRUCTION COSTS FOR THIS SKILL UPGRADING COURSE IN CARPENTRY.

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TAILORING	DEPRECIATION		
\$2,000	\$435	\$2,435	
-----		=	----- = \$0.41*
6,000 PARTICIPANT HOURS		6,000	

\*\$0.41 INSTRUCTION COSTS + \$0.30 ADMINISTRATIVE COSTS = \$0.71 PARTICIPANT HOUR OF INSTRUCTION COSTS IN ENTRY LEVEL JOB SKILL TRAINING IN TAILORING.

BASIC WELDING SKILLS	DEPRECIATION		
\$5,000	\$2,525	\$7,525	
-----		=	----- = \$1.43*
5,250 PARTICIPANT HOURS		5,250	

\*\$1.43 INSTRUCTION COSTS + \$0.30 ADMINISTRATIVE COSTS = \$1.73 PARTICIPANT HOUR OF INSTRUCTION COSTS IN THIS BASIC SKILLS WELDING COURSE.

Comparing these costs within the same institution, one should also note the number of students who obtain employment and practice the skills they have been taught for determining the value of the training provided. While the training course in tailoring, for example, was the least expensive at \$0.71 per participant hour of instruction, if only 30% of the tailoring graduates practice their trade, as compared to 90% for welding, then welding would be the most cost-effective training in relation to returns on training investments even though participant hour of instruction costs were approximately twice as expensive as those for tailoring.

Another factor which should be included in these types of calculations is the average wage of graduates in different training areas. If, for example, welders earn twice as much as carpenters, this helps compensate for higher instructional costs in welding. Similarly, more traditional calculations of instructional costs per graduate, who actually practice their trades, can provide additional information for evaluating the cost-effectiveness of different training alternatives.

**CONTRATO DE APRENDIZAJE**  
**MODELO DE CONTRATO UTILIZADO POR EL SENA**  
**REGIONAL BOGOTA**

EL EMPLEADOR ..... Nit. ....  
REPRESENTANTE LEGAL .....  
CARGO ..... C.C. ....  
EL APRENDIZ .....  
de ..... años de edad, identificado como aparece al pie de la firma.

**CLAUSULAS**

**PRIMERA: Normas Aplicables.** Ley 108 de 1959, Decreto 2838 de 1960, Decreto 3123 de 1968, Decreto 2375 de 1974, Decreto 083 de 1976, Reglamento del SENA para los Trabajadores-Alumnos, Reglamento Interno de Trabajo de la correspondiente Empresa y las Normas pertinentes del Código Sustantivo del Trabajo.

**SEGUNDA: Naturaleza del Trabajo.** Aprendiz de ..... de acuerdo con la Formación que en tal oficio imparte el SENA y la aplicabilidad que el mismo tiene en la Empresa.

**TERCERA: Duración, Etapas y Remuneración Mínima.** El Aprendizaje tiene ..... años de duración comprendidos entre el ..... fecha de iniciación del curso y el ..... fecha de terminación del mismo, tiempo que se encuentra distribuido en ..... período (s) Lectivo (s) y ..... período (s) Productivo (s), alternados, durante los cuales la Empresa pagará al Aprendiz, como mínimo, los porcentajes del salario mínimo a continuación anotados:

- 1º Etapa Lectiva de 12 meses en el SENA con el 50%
- 1º Etapa Productiva de 6 meses en la Empresa con el 65%
- 2º Etapa Lectiva de 6 meses en el SENA con el 65%
- 2º Etapa Productiva de 12 meses en la Empresa con el 100%

**PARAGRAFO.** "El salario inicial de los aprendices no podrá ser en ningún caso inferior al cincuenta por ciento (50%) del mínimo convencional o de que rija en la respectiva Empresa para los Trabajadores que desempeñen el mismo oficio u otros equivalentes o asimilables a aquel para el cual el aprendiz recibe formación profesional en el Servicio Nacional de Aprendizaje SENA."

Esta remuneración deberá aumentarse proporcionalmente hasta llegar a ser, al comenzar la última etapa productiva del Aprendizaje, por lo menos igual al total del salario que el inciso anterior señala como referencia".

Los períodos de pago serán los que el Reglamento interno de la Empresa fije para tal efecto.

**PARAGRAFO 2.** El presente Contrato rige a partir del ..... y terminará el ..... No obstante el Empleador podrá darlo por terminado antes, conforme a la Ley, o cuando el SENA, habido consideración del comportamiento del Aprendiz y del rendimiento en sus estudios o en sus prácticas, considere conveniente su terminación de acuerdo con el Reglamento existente para los Trabajadores-Alumnos.

**CUARTA.** El Empleador pagará al Aprendiz los salarios y todas las prestaciones sociales que le corresponden legalmente en su calidad de Trabajador, a partir de la fecha en que se inicia el presente Contrato.

**PARAGRAFO 1.** El Empleador reconocerá al Aprendiz, tanto en las Etapas Lectivas como en las Productivas, el Auxilio de Transporte consagrado por la Ley, si a él tiene derecho, cuando ni el SENA ni la Empresa presten directamente este servicio.

**PARAGRAFO 2.** El Empleador deberá cumplir con la obligación legal de afiliar al Aprendiz al Instituto Colombiano de Seguros Sociales (ICSS) desde el momento de vigencia del presente Contrato, o cubrir satisfactoriamente los riesgos asumidos por esa Entidad, cuando el Aprendiz lo necesite, si en la localidad no funcionan dependencias del I.C.S.S.

**PARAGRAFO 3.** El Empleador dará al Aprendiz las vacaciones que establece la Ley para todos los trabajadores, sin afectar el tiempo de Etapas a realizar dentro del SENA, y además, en las Etapas productivas, le concederá un permiso remunerado el último sábado de cada mes, en horas de la mañana, para que concurra al Centro respectivo a las reuniones programadas por el SENA para los Trabajadores-Alumnos, como parte de su formación.

**QUINTA: Período de Prueba.** Los tres (3) primeros meses del presente Contrato se considerarán como período de prueba, durante el cual se apreciarán por el Empleador y el SENA, de una parte, la adaptabilidad, el rendimiento en sus estudios y el comportamiento del Aprendiz, lo mismo que sus aptitudes y cualidades para el oficio; y de otra parte, la conveniencia para el Trabajador-Alumno, de continuar el Aprendizaje.

**PARAGRAFO.** Este Contrato de acuerdo con el Artículo 9º de la Ley 188 de 1959 no podrá tener una duración mayor de tres (3) años. El tiempo que exceda este término se regirá por las normas del Contrato Ordinario de Trabajo contenidas en el Código Sustantivo del Trabajo.

**SEXTA: Jornadas de Trabajo y de Estudio.** La jornada de trabajo del Aprendiz durante las Etapas Productivas será la establecida en el Código del Trabajo según su edad y la labor a realizar, en concordancia con el horario de trabajo existente en la respectiva Empresa. Durante las Etapas Lectivas se aplicará el horario que cada Centro del SENA tiene establecido para los Trabajadores-Alumnos.

**SEPTIMA: Obligaciones del Empleador.** Son obligaciones especiales del Empleador, además de las estipuladas en el Código Sustantivo del Trabajo y en el Reglamento Interno de Trabajo de la Empresa en concordancia con el respectivo Reglamento de Alumnos del SENA, las siguientes: a) Facilitar todos los medios al Aprendiz para que, tanto en las Etapas Lectivas en el SENA como en las Productivas en la Empresa, reciba Formación Profesional metódica y completa en el oficio materia del presente Contrato. b) Pagar al Aprendiz, como mínimo, los salarios pactados en la Cláusula Tercera de este Contrato y las prestaciones sociales, legales y extralegales que le correspondan como trabajador, tanto en las Etapas Lectivas como en las Productivas. c) Cumplido satisfactoriamente el Aprendizaje, preferir al Aprendiz ante cualquier otro aspirante para vincularlo definitivamente a la Empresa; en el respectivo oficio. d) Reemplazar al Aprendiz por otro cuando el presente Contrato termine por cualquier causa.

**OCTAVA: Obligaciones del Aprendiz.** El Aprendiz, además de las obligaciones establecidas en el Código Sustantivo del Trabajo, en el Reglamento Interno de Trabajo de la Empresa y en el Reglamento de Alumnos del SENA, tendrá principalmente las siguientes: a) Concurrir puntualmente a las clases durante las Etapas Lectivas para así recibir la Formación Profesional a que se refiere el presente Contrato, someterse a los Reglamentos y normas establecidas por el respectivo Centro de Aprendizaje del SENA y poner toda diligencia y aplicación para lograr el mayor rendimiento en sus estudios. b) Concurrir puntualmente al lugar de trabajo y prestar sus servicios al empleador durante las Etapas o Periodos Productivos, desempeñando dentro de la Empresa el trabajo correspondiente a la especialidad de su Aprendizaje y someterse a los Reglamentos Internos de este. c) Preferir, al terminar el Aprendizaje, su vinculación definitiva con el Empleador que en la fecha lo contrata.

**PARAGRAFO.** El Empleador podrá dar por terminado con justa causa el Contrato, cuando, además de los casos establecidos en la Ley y en el presente Contrato, existan razones valederas para ello desde el punto de vista docente o disciplinario, previo estudio del caso en asocio con el SENA, o cuando esta Entidad lo considere conveniente por existir justa causa para tal determinación.

**NOVENA.** El Empleador tendrá derecho a visitar al Aprendiz en el respectivo Centro del SENA, y el SENA el de supervisar al Aprendiz en la Empresa para que sus labores en las Etapas Productivas correspondan al programa de la Especialidad para la cual fue contratado y en la cual está recibiendo Formación.

## ADDENDUM B: THE NGO/PVO SECTOR IN NICARAGUA AS A TRAINING RESOURCE

### 1. Introduction

In Nicaragua, as in other countries, the term Non-governmental organizations (NGOs) may refer to a variety of non-profit institutions engaged in social and economic betterment. While universities, research institutes, social welfare groups and private sector trade associations may be referred to as NGOs, the focus of this report centers on NGOs or Private Voluntary Organizations (PVO)s<sup>1</sup> that carry out micro-development programs which in turn, promote the needs and interest of the poor. Examples range from emergency relief activities, servicing basic needs, training community leaders, promoting with credit and technical assistance small enterprise development, sound environmental practices and agricultural productive activities.

Because of natural disasters, severe economic conditions and the side effects of a civil war, NGO/PVOs operating in Nicaragua have found themselves almost entirely enveloped in relief and survival activities. Nevertheless, the vision and plans for more development-oriented activities are currently being developed by with the leadership and operational staff of the NGO/PVOs.

In conducting this assessment the team considered the NGO/PVO community's experience and capability to meet the training needs of urban workers and campesinos as well as the returning exiles, repatriated, demobilized and burgeoning youth population. Investigative efforts were made to identify and assess those NGOs with the track record and capability to carry out employment generation programs such as micro-enterprise development, which, in turn, would require particular training components.

Despite the crushing conditions under which NGO/PVOs have lived over the past few years there appears to be hope, energy and an enormous amount of committed and capable personnel within the NGO community that can contribute significantly to the socio-economic advancement of Nicaragua in the 1990s. This assessment attempts to give a cursory overview of the NGO/PVO community, and its special skills as they relate to USAID's priorities and some emerging options for consideration.

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<sup>1</sup>Some, also, call them Private Development Organization (PDOs) or OPDs in Spanish.

## **2. Purpose of this Assessment**

To assess the capacity and potential role of local and international NGO/PVOs to carrying out their evolving development strategy in Nicaragua. The team identified the NGO/PVOs that provide vocational and other types of worker training. In addition, it examined those NGO/PVOs that currently engage in small enterprise development and other forms of job-generating activities.

## **3. Methodology**

To generate the information and analysis the team members utilized the following modes of data gathering:

- o Reviewed existing literature and reports on NGO-PVO activities in Nicaragua prior to arrival.
- o Conducted interviews in the USA with key program personnel of major US/PVOs and other development officers concerned with Nicaragua such as the multilateral agencies and other donors. Cf. Supplement A.
- o Conducted over 50 interviews in Nicaragua with local NGOs, US and other international PVOs, technical assistance institutions, bilateral and multilateral agencies, private donors, USAID officers. (Appendix III).

## **4. Nicaragua and the NGO/PVO Sector <sup>2</sup>**

The disastrous social, economic and political conditions that Nicaraguans have endured does not have to be detailed in this section. Suffice to say that NGO/PVO efforts to respond responsibly to the plight of the marginal populations, while magnanimous in effort, commitment and resources, have not been enough to overcome problems caused by macro events.

The sectors most hard hit by these conditions are the rural and urban poor. Since the elections in February of this year, there is hope among these sectors that things can turn around and Nicaragua can work towards creating an environment conducive to sustainable economic development. In order to reach this goal of

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<sup>2</sup>Increasingly the terms "sector" is being applied to the NGO/PVOs as a third sector along with the traditional private and public sectors.

revitalizing the economy and meeting the needs of the rural and urban poor a preinvestment in appropriate training programs is a fundamental necessity. This requires an understanding of current conditions in the country, and also the involvement of Nicaraguan NGO/PVOs and community groups.

## 5. Types of NGO/PVOs in Nicaragua

The NGO/PVO community can be categorized as:

- o Local and international
- o Sectoral or multipurpose
- o Developmental or assistencial

## 6. Nicaraguan NGOs

At the present time there are over 200 Private Development Organizations in Nicaragua. Funding is provided by various countries, including U.S. and the European community and these organizations are involved in every aspect of development --- agriculture, small and micro-business, health infant care, planning, planting and harvesting, etc.

In November 1990 there will be a major meeting of the NGO/PVOs and representatives of the donor community. This event is being organized by the "ONG Coordinadora" which is an umbrella organization of eleven local NGOs (Cf. Supplement B). Within the NGO consortium is CEPAD (Comité Evangélico Pro-Ayuda al Desarrollo) that is composed of 45 Evangelical churches working in 300 locations in Nicaragua (Supplement C). The example is cited to indicate a fraction of the far-reaching scope of one NGO apart from the other members of the ONG Coordinadora.

There have been a number of local NGOs that have received international funding for their grassroots development projects in agriculture, health care, water and sanitation, training, etc. Several of these NGOs, like FUNDE,<sup>3</sup> have solid reputations as independent development organizations with over 20 years of experience.

The strength of these local PVOs is their ability to enlist local participation and to gain acceptance in the communities through many years of commitment and hard work. In addition, their familiarity and knowledge of local conditions is invaluable in carrying out successful projects.

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<sup>3</sup>Fundación Nicaraguense de Desarrollo.

The NGO/PVO community can play a critical role in the revitalization of the Nicaraguan economy. Meeting the basic needs of the rural and urban poor will require a comprehensive, multi-sector approach. Nicaraguan NGOs with experience in the communities and broad knowledge of the logistics of carrying out development projects throughout the country will be vital if development assistance is to be effective.

It will be equally important to promote and strengthen the administrative and technical capabilities of the Nicaraguan NGOs. While many of the NGOs have extensive development experience and have worked with international funding agencies, they have, for the most part, been working under constrained financial political and logistical conditions. They have not fully developed their capabilities or potential. This a critical time for Nicaraguan NGOs to develop their skills in project management, administration, organizational development and financial strategies.

Due to the severe economic instability of the last two years, many of the Nicaraguan NGOs (as well as the international PVOs operating in the country) were consumed by addressing financial and logistical constraints and had to forego systematic planning and training. Under more stable economic conditions, the Nicaraguan NGOs look forward to implementing their programs in a more peaceful country, and to collaborate more closely with one another. It is also the ideal time for conducting training seminars and improving the local NGO community's ability to effectively implement development aid in Nicaragua.

## **7. International PVOs**

There are a variety of international PVOs working in Nicaragua, primarily from Europe and Canada. For the most part these groups are funded through government grants; however, in some cases, such as OXFAM, their funding base is entirely non-governmental. These PVOs are directly involved in project identification, implementation, and management. They usually collaborate with a Nicaraguan counterpart; this may be a government agency, a mass organization (i.e., farmers union, women's group, etc.) or they may work directly with the project recipients. In many cases, the international PVOs have collaborated with local NGOs and shared organizational responsibilities. This is particularly the case when the international PVO does not have a local office or field personnel. One example would be the US/PVO, the Alliance for Community Action, which is represented by INPRHU in Nicaragua.

Apart from those PVOs already in Nicaragua, a number of US/PVOs with excellent track records are planning to begin operations in Nicaragua shortly. While much still hinges on donor assistance, some of the US/PVOs that have presented plans are:

Organization	Focus
ACTION - AITEC	Credit programs with Micro entrepreneur groups.
FINCA	Community Banks with Rural micro-enterprise groups.
FOSTER PLAN INTERNATIONAL	Community development, micro-enterprise, primary health
CARE	Community development, micro-enterprise, primary health
PAN-AMERICAN DEVELOPMENT FOUNDATION	Small enterprise development, tools for training, health
TECHNOSERVE	Community based enterprise crop diversification, co-op rehabilitation.
OEF	Organizational development and WID.
PACT	Consortia development, NGO training and grant management
VITA	Small enterprise development and communication networks.

The US/PVOs, currently in Nicaragua, anticipate increasing their development efforts significantly. Among them are CARE, CRS, Save the Children, the Salesians, Compañeros de las Américas (Partners), ADRA.

## 8. Sectoral Interests of the NGO/PVOs

Apart from the myriad of development activities in which the NGO-PVO community is engaged in Nicaragua, the two sectors that stand out in terms of efforts, experience, outreach and resources are agriculture and micro or small enterprise development.

Agriculture. Approximately half of the Nicaraguan population live in rural areas and are involved in farming as their principle economic activity. Farmers use labor-intensive,

traditional farming methods and are very susceptible to weather fluctuations and crop pests. In addition, due to unstable economic conditions, many farmers have left the countryside in search of work in the cities. Many that remain in the rural area have found it difficult to obtain manageable credit and ultimately an adequate price for their crops.

And yet, the Food and Agricultural Organization (FAO) has produced impressive data with the Ministerio de Desarrollo Agropecuario y Reforma Agraria. The study shows NGO/PVOs receiving \$300,000,000 from external donors for agricultural-related projects in the past five years<sup>4</sup>. Despite the significant amounts of donor funding the general assessment has been that many of the projects have been poorly planned and the resources expended have not resulted in any economic advancement.

Under the new Government, the agricultural sector will certainly play a key role in reinvigorating the Nicaraguan economy, both because of its potential to provide employment and because of the possibilities, with the introduction of a more stable, market oriented economy, of making agriculture economically viable. NGO/PVOs, will remain substantial actors with tested programs and accompanying donor funds.

The organizations within the NGO/PVO community with potential to meet the training needs of the agricultural sector are: FUNDE, INPRHU, CINASE<sup>5</sup> and CEPAD among the local NGOs and FINCA, Technoserve, CARE, ADRA and CRS among the US/PVOs.

Small and micro enterprise development. Over the last few years, there has been considerable strategizing and planning done within the Nicaraguan NGO/PVO community on how to promote small enterprise development. Unfortunately, economic and political conditions made most of the proposed projects unfeasible and very few were carried out.

The severe economic decline experienced in Nicaragua over the past several years has been devastating for the private sector and for small entrepreneurs in the low income population. With consumer purchasing power down and rising costs of production, many small entrepreneurs were forced out of business. This downward spiral led to a severe reduction in consumer goods and services and contributed to growing unemployment.

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<sup>4</sup>Interview with Mr. Constantino Tapias, FAO Representative in Managua. Also Appendix D for list of projects and donors.

<sup>5</sup>INPRHU and CINASE have worked closely with the Inter-American Foundation whose grants are closely monitored by the US Congress

Currently, new efforts are being made to promote small enterprise development. With the implementation of market oriented economic policies and other efforts to revitalize the Nicaraguan economy, many opportunities could open up for small entrepreneurs to provide much needed goods and services. This should also be a key sector for generating employment.

Again, NGO/PVOs will play an important role in assisting communities and individuals in adapting to the changing environment. Small enterprise development projects are particularly appropriate for low income groups in urban areas. Nicaraguan NGOs can play a leading role in assisting the low-income and unemployed sectors to be able to take advantage of economic openings through training programs, technical assistance in marketing, and credit programs. In addition well-executed projects by NGO/PVOs in the new period will attract the attention of other donors particularly favorable to support of the informal sector and small enterprise development.

The Inter-American Development Bank with its strong emphasis in the small enterprise area, is anticipating a program in the range of \$10,000,000 to \$15,000,000.00. In addition, the World Bank's contemplated Social Investment Fund would envision resources being channeled to NGO/PVOs for similar activities <sup>6</sup>.

The major gap in all these plans remains at the preparatory or training level. Very few NGO/PVOs have successful track records so far. Those that do may need to extend themselves further as trainers as well as implementers of development projects.

Institutions that fall into this category would be FUNDE and among the US PVOs - ACCION-AITEC, CARE, MEDA (see pp. 45-48 for training capability of PVOs in small enterprise development).

While INCAE may not strictly be classified as a NGO the small-scale enterprise section, directed by Miguel Angel Garcia, can provide superb but somewhat expensive training to NGO/PVOs in this sector.

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<sup>6</sup>Interview with IDB Director in Managua, Mr. Christian Will 10/26/90.

## 9. The Challenge of Working with NGO/PVOs

The NGO/PVO community represents a sizable force in addressing the immediate and longer-term needs of Nicaragua. The main strengths of the NGO/PVOs are their abilities to:

- o Reach poor communities and remote areas with limited resources or little infrastructure, and where government services are limited or ineffective.
- o Promote local participation in designing and implementing projects among low-income people. In doing so they build self-confidence and strengthen the local organization.
- o Operate at low costs by using appropriate technologies, streamlined services and low overheads.
- o Identify local needs, build upon existing resources and transfer technologies developed elsewhere. (eg. the concept of the GRAMEEN BANK).

Apart from sectoral interest and needs of NGO/PVOs, there are some basic training necessities in various types of program management. While NGO/PVOs deserve much credit for their commitment, low-cost services and unmatched outreach it remains important to point out some of their gaps and constraints which can be addressed by suitable training programs: Among the deficiencies are:

- o Limited managerial and technical capacity. Even some professionally staffed NGOs are poorly managed, lack adequate accounting systems and, at times, launch infrastructure projects with inadequate technical analysis.
- o Limited replicability of many NGO projects that are too small and localized to have important regional or national impact. Scaling up their operations with additional donor resources, however, may result in losing their innovative force and become top-down and less participatory organizations.
- o Lack of broad programming context. Many NGOs operate in isolation of other NGOs or public programs. Lack of strategic planning and coordination among NGOs often duplicates efforts and resource allocations.
- o Limited self-sustainability. Frequently little planning is given for how activities will be sustained after the donor funds cease.

- o Participation. Some NGOs combine development concerns with promoting political or religious objectives and, thus, vitiate the valuable development purposes.

## 10. Current Classification of NGO/PVOs

Because the case of Nicaragua is quite unique insofar as the past Government had a disproportionate effect upon a sizeable amount of the NGO/PVO community a certain amount of time will be required to gauge the influence and potential ongoing participation of some NGOs.

However, at this point in time, NGO/PVOs fit into one of three categories:

Category I. Those that are technically competent with proven track records in reaching grassroots groups. This group possesses the proper administrative qualities to implement and manage a project immediately. At the same time their political sagacity has enabled them to be generally free from any substantial association with the previous Government. Examples would be:

Local	-	FUNDE, COPROSA and THE CARITAS NETWORK
International	-	CARE, CRS, SCF, ACCION, TECHNOSERVE, PADF, ADRA, SALESIANS, MEDA.

Category II. This category includes the NGOs that are smaller in scope and resources but constantly rendering services to their constituent groups in the rural and urban areas. Some of these NGOs that belong to the ONG Coordinadora have been sympathetic to the past regime's interest in servicing the poor. Other adapt themselves to the policies and expressed values of a new Government. This broad array of NGOs needs special training in program management and organizational development to enhance its work. Since most of these NGOs are Nicaraguan in origin it appears to be critically important to maintain close dialogue with the actual or existential leadership.

Examples may be too numerous to cite but the forthcoming Directory of NGO/PVOs in Nicaragua will lay out the names and current purposes of 180 NGO/PVOs operating in Nicaragua.<sup>7</sup> This group should be monitored so that as

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<sup>7</sup>To be published November 20th, 1990 through funds from NOVIB.

Nicaragua moves into a new era the relevant ones can be identified for appropriate support or referral to Northern partner agencies.

Category III. The NGOs that remain adamantly anti-Government and propagate rhetoric that serves more political parties than the marginal communities. Within a relatively short period of time external resources should dry up for these groups and thereby limit their prominence.

## **11. Private Voluntary Organizations and Vocational Training.**

While there are a number of PVOs currently providing training or interested in establishing training programs, it is important to briefly discuss how PVO initiatives help fill training voids left by the formal training system and other nonformal training institutions.

The Salesian Missions<sup>8</sup> in Nicaragua provide an excellent example of how PVOs can meet training voids. The Salesian Missions, training centers include the Centro Juvenil Don Bosco (Managua), Colegio Maria Mazzarello (Managua, Instituto Profesional Maria Auxiliadora (Granada), and the Colegio María Auxiliadora, Masatepe.

In addition to the Salesians, the Christian Brothers at La Salle in León and the Franciscan in Matagalpa are other educational groups that provide similar vocational and skills training.

The other PVOs that engage in vocational or skills training in a formal manner are the Compañeros de las Américas and ADRA. The Compañeros admit however that their workshop equipment in the various orphanage centers has become obsolete or in disrepair. The alternative being proposed is a very costly two-year participant training program at a modern technical college in Wisconsin. ADRA currently is building a \$2 million technical school for 320 students just outside Managua. Other than the traditional trade schools, run by the above groups there are no NGO/PVOs so principally dedicated to vocational training.

These types of initiatives are particularly important for meeting the training needs of lower income sectors of society who

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<sup>8</sup>While the Salesian are formally registered as a PVO (501. C-3) in the US and before AID they are more an educational institution that specializes in vocational and skills training. The term NGO or PVO generally refers to those organizations that carry out micro-development programs in the rural or urban areas.

cannot afford to invest three to six years in a formal training program, and for many young people who have not completed primary school, which is the key requisite for enrolling in formal vocational training programs, and for individuals in less populated areas who have very few opportunities for learning a productive trade.

Experience in Nicaragua and many developing nations has shown that these types of educational institutions are generally more flexible and cost effective trainers than public sector training institutions, are able to reach less privileged sectors of society, are willing to establish training facilities in geographic areas which are difficult to reach, and can provide important civic and moral guidance for young people as well. International donors and Nicaragua should continue to encourage credible PVOs in these endeavors.

## **12. Other Training Provided by NGO/PVOs**

Beyond these more formal training efforts the NGO/PVOs offer other types of relevant training, frequently informal, that meets the needs of the marginal populations in the rural and urban sectors.

Two sectors where NGO/PVOs can make an immediate contribution to Nicaragua's advancement would be in small enterprise development and agricultural production. The NGO/PVO experience, outreach and resources<sup>9</sup> indicate a serious level of effort that has attracted the attention of bilateral, multilateral and other donors. Beyond the basic management and organizational training NGO/PVOs require ongoing assistance in the technical aspects of their programs.

## **13. Small Enterprise Development**

A number of capable NGO /PVOs can render training, including in the skills areas, to those engaged in small enterprise development (SED)<sup>10</sup>.

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<sup>9</sup>The Food and Agricultural Organization (FAO) has statistical data that shows NGO/PVOs receiving \$300,000,000 from external donors for agricultural-related projects in the past five years.

<sup>10</sup>SED - can include individual micro-entrepreneurs, micro industries from one to five persons or small/enterprises in the range of 15 to 50 people.

Among them would be:

**MEDA (Mennonite Economic Development Associates)**

The Small Business Development Program of MEDA aims to improve the economic viability of small businesses through services that increase income, create jobs, foster linkages with the local economy and encourage the self-development of communities. MEDA does so by lending small amounts of money (generally under \$500) for short periods of time at reasonable rates of interest. Clients who borrow money receive training in various management skills applicable to their business. Loan repayments go into a revolving loan fund to capitalize future projects.

One major difference in MEDA's program is that they offer loans only to micro-enterprises that are in the productive sector. Institutions like ACCION, in contrast, have successful credit programs among micro entrepreneurs by offering both productive and commercial loans (eg. vendors of all types). Yet ACCION's well-acclaimed fame derives from the well-trained staff and loan clients resulting in 98% repayment rates.

Finally institutions like FUNDE need to consider including or amplifying their training component for both the urban and rural sectors that they service. FUNDE's capacity to handle current and anticipated credit resources should be balanced with a well-executed training program.

#### **14. Agricultural Production**

As mentioned before under the new Government the agricultural sector will play a key role in stimulating the Nicaraguan economy, both because of its potential to provide employment and because of the possibilities of making agriculture economically viable with the introduction of a more stable, market oriented economy.

Nicaraguan NGOs have been active in agricultural development projects, working with small, independent producers. Their efforts have included: providing start-up agricultural credit for inputs; establishing rotating funds; and providing technical assistance. The need for continued NGO/PVO support in providing rural credit, training and technical assistance will continue to grow. Additionally, as Nicaragua's agricultural sector becomes more market oriented, producers will need to learn new skills to adapt to their changing environment.

If the GON wishes to take advantage of the NGO/PVO community with its rural outreach to the most marginal communities attention must be given to training programs in project design,

implementation and evaluation, strategic planning, program administration, organizational development and specific technical subjects that bear on their field services.

The organizations within the NGO/PVO community with potential to meet the training needs of the agricultural sector are FUNDE, INPRHU, CINASE and CEPAD among the local NGOs and FINCA, Technoserve, CARE, ADRA and CRS among the US/PVOs.

## **15. Management Mechanisms for NGO/PVO Assistance**

Both local, US and other international NGO/PVOs will continue to knock on USAID's door for project assistance. Compounding the situation will be US Congressional and private sector pleas on behalf of particular PVOs programs. It is urgent that some management mechanism be devised not only to attend to all the visiting delegations and to process the project proposals but also to be able to get a more appropriate handle on the NGO/PVO community by having a first-hand awareness of the NGO/PVO programs and the key actors.

Whatever management mechanism is chosen, it's implementation could be initiated through a two-tiered support program to the NGO/PVO sector. The first level would be the early-on support to the viable institutions that are competent, credible and have been politically independent. The second level of support would be to the NGO/PVOs that can extend relevant training to the NGO/PVOs engaged in small enterprise development and agricultural production. For the most part this would be support for training programs to NGO/PVOs implementing projects in the above sectors.

Utilizing a two-tiered approach will enable USAID to support the major NGO/PVOs at the outset and spread its presence throughout the NGO/PVO community by support to training institutions. That latter will help to improve project design and implementation and to strengthen the management and administrative capabilities of the NGO/PVOs.

## **16. Recommendations**

- o In terms of vocational and skills training, USAID should continue to support PVOs like the Salesians and ADRA in their programs that reinforce the importance of employability skills.
- o USAID should transfer resources early on to local NGO and US PVOs that fall into the first category of competent, credible and independent organizations of the past administration. Enabling these institutions

to carry out their training and other development programs, especially in small enterprise development, potentially will result in leveraging resources from the IDB, the World Bank's Social Investment Fund and from other donors.

- o At the same time USAID should not ignore the vast array of smaller NGO/PVOs that are in the second category. USAID should explore inroads through periodic dialogues with responsible members of the various NGO/PVO networks. This may not be immediately easy in all cases but the NGO/PVOs generally seem to be aware of the new realities and are developing their programs accordingly.

An appropriate USAID input would be to support management training for NGO/PVOs in terms of project design, implementation and evaluation, organizational development and more extensive sectoral training. Channeling resources to a few training institutions that will work with a significant number of NGO/PVOs will have both a short term payoff in better projects and use of resources and a longer-term effect of enabling NGO-PVOs to plan projects and work together better as well as gaining the goodwill of this part of the NGO/PVO community for the urgent training support.

- o Another form of bridging the gap between proven US PVOs and local NGOs that are operating programs in Nicaragua with limited results would be "partnering" a relationship. A US PVO, with particular sectoral and managerial expertise, would work for two to three years with one or a few local NGOs to fortify and guide their programs. An example of this would be TECHNOSERVE rendering training and technical assistance to NGOs that work in community based enterprises or with cooperatives.

ACCION's approach is always to look for a partner institution in launching and operating a micro enterprise program. Within a two to three year period ACCION leaves the partner NGO in a situation where it can sustain itself financially and managerially.

#### NGO/PVO Management Options

- o To hire another contractor as the "outside the office" person. This individual would examine the NGO/PVOs programs in the field, interact with the key officers and by his or her presence in the community begin to detect ongoing needs to which USAID might eventually respond.

- o To give an OPG or a contract to a respected PVO to manage an umbrella program. The PVO would report directly to USAID but as a private organization the PVO would have more entré and legitimacy in interacting with the NGO/PVO community. The PVO would process all project requests, manage the grantmaking system and monitor all projects. On a periodic basis the PVO would render briefings and required reports to the PVO officer and other USAID staff.
- o To seek the services of a private contractor preferably one that is already in Nicaragua, that can serve as a liaison or surrogate to the USAID PVO office. This firm would act as buffer for USAID and carry out the functions described in Option 2 related to proposal processing, grant making, grant management and accountable reporting to USAID.

This firm would have the independence of not being a PVO and therefore, removed from "PVO politics". At the same time as a private firm it could carry out the buffer role by managing the numerous NGO/PVO request, approved proposals and ongoing assessment of the groups. From its overview position the firm could also broker other resources and assist in engaging additional resources from other donors.

**SUPPLEMENT A**

**Interviews in the US 9/1 - 10/19**

**PVO**

ACCION - AITEC	Stephen Gross
ALLIANCE FOR COMMUNITY ACTION	Richard Schopfer
CARE - USA	Curt Schaeffer
CATHOLIC RELIEF SERVICES	Wm. Rastetter
INSTITUTE FOR INTERNATIONAL EDUCATION	Daniel Heyduk
OXFAM - USA	Oscar Chacón
OXFAM - UK	Rolando López
PACT - NY	Daniel Santo Pietro
PACT - COSTA RICA	Kris Merschrod
SALESIAN MISSION	Wm. Sigler Robert Mashek
SALVATION ARMY	Major Keith Gibbons
SAVE THE CHILDREN FEDERATION	Gary Shaye
SOLIDARIOS (NATIONAL DEVELOPMENT FOUNDATION)	Enrique Fernández
TECHNOSERVE	Gerald Schmaedick
WORLD VISION	Paul Peterson
VITA	Henry Norman

**DONORS**

INTER-AMERICAN FOUNDATION

Keith Oberg  
Wm. Barbieri

INTER-AMERICAN DEVELOPMENT BANK

Ken Cole

FORD FOUNDATION

Jeffrey Puryear

UNDP

Jacqueline Harvelt

WORLD BANK

Christohper Hennin  
Richard Clifford

BR

## SUPPLEMENT B

### PVO/NGO Profiles

#### **ACCION INTERNATIONAL/AITEC**

1385 Cambridge Street, Cambridge, MA 02139  
(617) 492-4930

Organizes and provides technical assistance to rural and urban socio-economic development programs in Latin America. AITEC provides technical assistance to integrated regional rural development programs and management training and advisory services, in conjunction with credit extension, to stimulate micro-businesses in urban and rural areas.

#### **CATHOLIC RELIEF SERVICES**

Baltimore, MD

In brief, CRS has the following programs in Nicaragua:

1. Housing - in Bluefields area. It's a result of a \$3000,000 independent earthquake fund. CRS is in contact with CHF about a larger housing program which would have employment generation implications.
2. Agriculture - supports ADP Group, a quasi Church, in the Nueva Guinea region, which, in turn, works with community groups - \$3000,000 fund which benefits about 2,200 families.
3. Institutional strengthening of CARITAS team so they can plan, design and manage field and training programs better.
4. Medicine - training for primary health care centers.
5. Small Enterprise Development (SED) - PROBABLY A YEAR AWAY FROM IMPLEMENTATION. AID/W gave CRS a major grant to develop in-house capability in SED.

Nicaragua Representative - Sean Callahan  
70089

#### **ESPERANCA**

1911 West Earll Drive, Phoenix, AZ 85015  
(602) 252-7772

Cooperates with the long range medical goals of the Brazilian Government to expand its health services to the interior. Assistance includes visiting surgical teams, public health education, clinic and hospital boat, internship program with the Federal University of Para in which senior medical and

dental students work in rotation in clinics to provide additional health services, nutrition program, and a medical auxiliary training program in villages. Programs currently expanded into Bolivia and Guinea-Bissau.

**FINCA - FOUNDATION FOR INTERNATIONAL COMMUNITY ASSISTANCE**

901 King Street - Alexandria, VA 22314  
(703) 836-5516

On its own or in joint-venture with 28 other PVOs, the Foundation for International Community Assistance (FINCA) has established village banking programs in 14 countries, currently assisting newly 500 communities and 15,000 impoverished mothers world wide through "village banking" services. The movement enjoys an overall loan repayment record of 97 percent, with 12 of the 14 country programs reporting 100 percent, with 12 of the 14 country programs reporting 100 percent repayment. All programs are also consistently generating voluntary savings by participants of at least 20 percent of funds loaned and in some cases (Haiti, Mexico) savings performance reaches 39 to 48 percent. Furthermore, FINCA teaches a cost-effective methodology that assures full self-financing of in-country program costs within three years.

**GOODWILL INDUSTRIES OF AMERICA**

9200 Wisconsin Avenue, Bethesda, MD 20814  
(202) 530-6500

Provides leadership and technical assistance to U.S. and foreign affiliates as well as nonaffiliated in their effort to improve the quality and effectiveness of rehabilitation services to handicapped, disabled and disadvantaged people. Goodwill affiliate offices are located in Africa, Asia and Latin America.

**HELEN KELLER INTERNATIONAL**

15 West 16th Street, New York, NY 10011  
(212) 620-2100

Carries out integrate eye care programs which include training local personnel to recognize and treat eye diseases, establishing and improving rehabilitation services for blind children and adults, and conducting related evaluation and research. Serves countries in Africa, Asia and Latin America.

**INTERNATIONAL VOLUNTARY SERVICES**

1424 16th Street, N.W., Washington, D.c. 20036  
(202) 387-5533

Recruit skilled technicians internationally to fill particular posts at the request of host governments and institutions. Assistance is given in the areas of community development, housing, cooperatives and loans, agriculture,

industrial development and health care, emphasizing development of local institutions. Volunteer technicians are currently serving in countries in Africa, Asia and Latin America.

**OEF/INTERNATIONAL**

1815 H Street, N.W., 11th Floor, Washington, D.C. 20006  
(202) 466-3430

Responds to specific requests for technical assistance through a professional multinational staff in Asia, Latin America and Africa. A major portion of its resources is directed toward helping women acquire skills needed to bring about change and increase their incomes. Programs include training of housing "promoters" in techniques of communication, group dynamics and programming and planning; and surveys in rural areas which focus on roles and needs of women. Programs in the U.S. are aimed at heightening the awareness of the role women play in international development and involving Americans in international cooperation programs.

**PRIVATE AGENCIES COLLABORATING TOGETHER (PACT)**

777 United Nations Plaza, New York, NY 10017  
(212) 697-6222

PACT is an international consortium of private agencies designed to promote a coordinated approach to planning for overseas programs, to improve the capability of private agencies and to provide information and services to member agencies. PACT supports development projects in Africa, Asia and Latin America undertaken by private agencies in the areas of cooperatives and loans, education, agriculture, small industry development and management, technology transfer, health care and low-cost housing.

**PAN AMERICAN DEVELOPMENT FOUNDATION**

1889 F Street, N.W., Washington, D.C. 20006  
(202) 458-3969

Assists in the establishment and expansion of autonomous, indigenous National development Foundations in Latin America. These foundations encourage local private sector participation in development activities through the establishment of revolving loan funds and bank guarantees to finance community self-help projects, small business development, health services, agriculture and education, as well as coordinate the work of other non-governmental agencies. Channels contributions of tools, machinery, educational materials and medical equipment.

**SAVE THE CHILDREN FEDERATION**

54 Wilton Rd. - Westport, Ct. 06880  
(202) 226-7271

Conducts child sponsorship programs and community development projects in areas such as housing, cooperatives and loans, education, agriculture, small industry development, nutrition and health care. Emphasis is on community self-help through grass roots organization as well as training and technical assistance. Programs are conducted in Africa, Asia, Latin America, Europe and the Middle East.

**SOLIDARIOS**

Apartado Postal 620, Santo Domingo, Dominican Republic  
(809) 566-5641

Promotes the participation of the marginal groups in the development process of their respective countries, giving support to its collective work through the strengthening of the member foundation, the integration of the private sector to this work and the stimulation of similar actions by public institutions.

**TECHNOSERVE**

148 East Avenue, Norwalk, CT 06851  
(203) 852-0377

Provides technical managerial and financial assistance to locally-owned self-help enterprises and trains participants in such enterprises and related local institutions. Most enterprises assisted are related to the processing of agricultural products.

**VOLUNTEERS IN TECHNICAL ASSISTANCE (VITA)**

1815 North Lynn Street, Arlington, VA 22209  
(703) 276-1800

Provides technical cooperation services, including technology design and problem solving, project planning, needs assessment, information systems analysis and on-site consulting to groups and individuals in the U.S. and abroad. Works with local institutions to promote implementation of technologies appropriate to local cultural requirements and technical needs. Emphasis is on village and mid-level technologies in the fields of renewable energy sources, agriculture, sanitation, housing and small business development. Over 100 countries have been assisted through its by-mail inquiry service and longer range development efforts have been undertaken in Africa, Asia, and Latin America.

**SUPPLEMENT C**

**List of Nicaraguan**

**Members of the NGO Coordinadora**

ADP	Asociación para el Desarrollo del Pueblo
CAV	Centro Edumenico Antonio Valdivieso
CEPA	Centro de Educación y Promoción Agraria
CEPAD	Comité Evangélico Pro-Ayuda al Desarrollo
ESCUELAS RADIOFONICAS	
EJE ECUMENICO	
FACS	Fundación Auguston Sandino
INPRUHU	Instituto de Promoción Humano
INIES	Instituto Nicaraguense de Estudios Socio-Económicos
INSTITUTO DE JUAN XXIII	
FUNDACION MANOLO MORALES	



ORGANISMOS NO GUBERNAMENTALES DE NICARAGUA

## BOLETIN Nº 2

### ORGANIZACIÓN LEGAL DE LA COORDINADORA DE ONG DE NICARAGUA

El 26 de Enero pasado en una solemne pero sencilla ceremonia que tuvo lugar en el Salón Rubén Darío del Hotel Intercontinental, se firmó el Acta de Constitución de la Federación de Organismos No Gubernamentales de Nicaragua, conocida también como Coordinadora de ONG de Nicaragua y ante los oficios notoriales del Dr. Adolfo Miranda Sáenz.

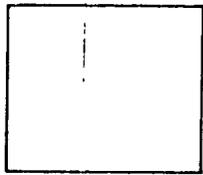
El acto estuvo presidido por el Cro. Comandante Henry Ruiz, entonces Ministro de Cooperación Externa, quien expresó su satisfacción por asistir a la creación de esta Federación, destacando el relevante papel que los ONG tienen en la canalización de recursos monetarios y en especie hacia Nicaragua.

La primera Directiva formal de la Coordinadora quedó integrada de la siguiente manera: Presidente Edwin Maradiaga Lacayo, en Representación de la Asociación para el Desarrollo de los Pueblos (ADP); Vice-Presidente, Gilberto Aguirre Escobar, en representación del Consejo de Iglesias Evangélicas Pro-Alianza Denominacional (CEPAD). Tesorero, Eduardo Pérez Rivera, en representación del Instituto de Promoción Humana (INPRIHU); Secretario, Edwin Zablah del Carmen, en representación de la Fundación Augusto César Sandino (FACS) y Nidia Martínez Romero, en representación del Instituto de Acción Social Juan XXIII.

Para su importancia transcribimos íntegramente el Acta Constitutiva:



DIRECTORIO DE ONG (n)



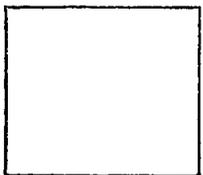
1) ASOCIACION PARA EL DESARROLLO DE LOS PUEBLOS ( A.D.P )

DIRECTOR : Edwin Maradiaga L.  
Apartado : 4627  
Teléfono : 22079-26635  
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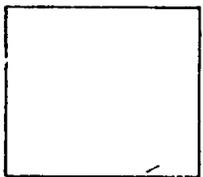
2) CENTRO DE EDUCACION PROMOCIONAL AGRARIA ( CEPA )

DIRECTOR : Ricardo Zúñiga  
Apartado : P-50  
Teléfono : 71199-72080



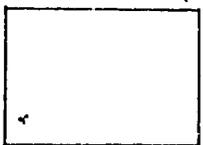
3) CONSEJO DE IGLESIAS EVANGELICAS PRO-ALIANZA DENOMINACIONAL ( CEPAD )

DIRECTOR : Gilberto Aguirre Escobar  
Apartado : 3091  
Teléfono : 666071-666102-664212  
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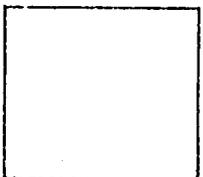
4) CENTRO ECUMENICO ANTONIO VALDIVIESO ( CAV )

DIRECTOR : Uriel Molina Olju  
Apartado : 3205  
Teléfono : 27955-24577  
Telefax : 23032



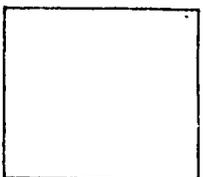
5) EJE ECUMENICO DE NICARAGUA

DIRECTOR : José Miguel Torrez H.  
Apartado : T-45  
Teléfono : 660054



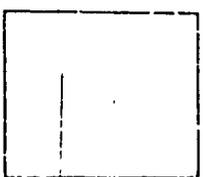
6) ESCUELAS RADIOFONICAS DE NICARAGUA ( ERN )

DIRECTOR : Bonifacio Echarri Aldaz  
Apartado : 3908  
Teléfono : 72353-678134  
Telefax : 670066



7) FUNDACION AUGUSTO C. SANDINO ( FACS )

DIRECTOR : Edwin Zablah  
Apartado : 2458  
Teléfono : 75631  
Telefax : 675670



8) FUNDACION MANOLO MORALES

DIRECTOR : Mauricio Díaz  
Apartado : 5144  
Teléfono : 27301-27302  
Telefax : 23305

9) INSTITUTO DE ACCION SOCIAL "JUAN XXIII"

DIRECTOR : Nidia Martínez  
Apartado : 96  
Teléfono : 73626-70587

10) INSTITUTO DE INVESTIGACIONES ECONÓMICAS Y SOCIALES ( INIES )

DIRECTOR : Francisco López Pérez  
Apartado : C-16  
Teléfono : 662485

11) INSTITUTO DE PROMOCION HUMANA ( INPRHU )

DIRECTOR : Reynaldo Antonio Téfel Vélez  
Apartado : 4431  
Teléfono : 660962-663438-623490  
Telefax : 623154

## CARACTERIZACION Y OBJETIVOS DE LOS ONG(n)



### ADP (ASOCIACION PARA EL DESARROLLO DE LOS PUEBLOS)

La ADP fue creado el 15 de Septiembre de 1978. Es un organismo que ofrece su coordinación y cooperación a todas las instituciones religiosas y cristianas presentes en Nicaragua que realizan trabajos de desarrollo económico y pastoral. Es una institución autónoma con personería jurídica propia, sin fines de lucro, capaz de adquirir derechos y contraer obligaciones de duración indefinida.

La Asociación tiene como objetivo, apoyar todo tipo de actividades de promoción religiosa, humana, cultural, educativa y social que tienda a fomentar la superación moral, cultural, económica y física de los nicaragüenses, así como promover e impulsar proyectos de carácter religioso o social que lleven a cabo los líderes cristianos y religiosos en su labor de promoción humana y desarrollo social en beneficio del pueblo, procurando, canalizando y orientando para este fin toda ayuda nacional o extranjera y ofreciendo asesoría técnica para el diseño, implementación y administración de dichos proyectos, en la medida que se lo soliciten.

Así también, la Asociación fue creada para promover estructuras organizativas locales a fin de involucrar en forma directa, mediante una participación activa, a los miembros de las comunidades atendidas para propiciar su auto-gestión y desarrollo.

ADP se define como un centro de servicios y acompañamiento a la pastoral social de los cristianos a la luz del evangelio, insertado al pueblo como sujeto histórico de su propio proceso de desarrollo y liberación integral.

Los objetivos de ADP son:

- 1) Ofrecer colaboración y apoyo a las comunidades y agentes de la pastoral (laicos, religiosas y otros) que estimule un proceso de comunión y participación liberadora de los sectores más necesitados, para dar un aporte significativo a las transformaciones políticas, sociales y religiosas, emprendidas por el pueblo.
- 2) Lograr que esta colaboración y apoyo a las comunidades y agentes de la pastoral ayude a hacer que los cristianos participen en las soluciones de los problemas sociales y comunales y en la formación de una conciencia participativa, liberadora y crítica.
- 3) Promover la participación de las comunidades y agentes de la pastoral en los procesos populares canalizando sus inquietudes y necesidades en proyectos de autogestión y presentando sus solicitudes a las instituciones donantes.
- 4) Acompañar y orientar a las comunidades y agentes de la pastoral en los proyectos de auto-gestión para crear un proceso organizativo dentro del movimiento popular, que permita una participación específicamente cristiana, con un amplio sentido de desarrollo, de la promoción integral del hombre y de la mujer en el espíritu del evangelio y de las enseñanzas de la Populorum Progressio y otros documentos.

Sus programas son:

1. Emergencia (desastre natural, emergencia de guerra).

2. Programas de Salud (apoyo a dispensarios, medicina preventiva).
3. Programas de pastoral (información de la iglesia en Nicaragua a nivel nacional e internacional)
4. Concientización y publicaciones.
5. Promoción Social y comunal
6. Educación
7. Fuentes de trabajo (colectivos de producción, producción agrícola, producción artesanal, cooperativas).
8. Desarrollo agropecuario
9. Maquinaria y equipo.
10. Auto-gestión habitacional (viviendas)
11. Gestiones y Servicios
12. Administración de Proyectos:
  - a) Formación y capacitación de promotores populares en las comunidades.
  - b) Formación social para equipos de pastoral.
  - c) Nuevas alternativas de desarrollo comunal.



CEPA (CENTRO DE EDUCACION  
PROMOCIONAL AGRARIA)

CEPA surge en su nueva  
modalidad a finales del año de

1974 y comienzos de 1975 y nace con la finalidad de fortalecer una línea cristiana liberadora en el sector rural, formando líderes cristianos campesinos e impulsando una metodología participativa y crítica de la Educación Popular.

En un inicio, el CEPA prestó servicios de formación, capacitación, materiales y apoyo a parroquias rurales progresistas. Este Centro es un organismo de servicio no-gubernamental, autónomo, de inspiración cristiana con personería jurídica, sin finalidades de lucro. El CEPA trabaja en promoción, educación y desarrollo social de los sectores populares, principalmente del campo.

Los objetivos específicos de CEPA incluyen:

1. Contribuir con las comunidades campesinas en el desarrollo de proyectos comunitarios que les permita crecer en sus niveles de participación, organización y auto-gestión.
2. El fortalecimiento de un cristianismo liberador, apoyando a las comunidades cristianas campesinas, en sus expresiones religiosas, compromisos sociales y en la articulación y organización de la Iglesia de los pobres.
3. La promoción integrada de una agricultura, alimentación y salud, lo más autónomo posible utilizando primordialmente nuestros propios recursos naturales, nuestra memoria histórica y las experiencias valiosas de otros pueblos; aplicando en todo este esfuerzo técnicas-alternativas que ayuden a la conservación del medio ambiente y las fuentes de vida.
4. La promoción integral de la mujer campesina que le permita en la práctica el

ejercicio de sus derechos en igualdad de oportunidades, en la construcción de la nueva sociedad.

5. Potenciar la solidaridad de grupos cristianos del exterior con el pueblo campesino, promoviendo el hermanamiento entre comunidades cristianas.
6. Valorar, promover y potenciar la cultura e historia del pueblo campesino a través de los objetivos específicos:

De acuerdo a las líneas y programas económicos del Gobierno de Nicaragua de priorizar los proyectos de producción de alimentos básicos para la sobrevivencia del pueblo se están impulsando proyectos como los siguientes:

- a) Proyecto global de "Integración de la Mujer a la Producción" incorporando a unas 250 mujeres de 15 asentamientos de la Zona Especial III, Río San Juan.
- b) Proyecto Pecuario para las cooperativas de Río San Juan beneficiando a 16 cooperativas con un fondo revolvente para la producción de leche y carne. Este es un proyecto planificado como de despegue económico y con una función social. El abastecimiento de leche a niños, mujeres y ancianos.
- c) Proyectos de "Colectivos de Costura y Hortaliza" que son una respuesta a las necesidades de mejorar la dieta alimenticia de la población y de responder a las necesidades del vestuario entre los campesinos.
- d) El proyecto de "Medicina Natural" que implica la recuperación de los conocimientos históricos culturales curativos sobre hierbas, métodos naturales de conservar y mejorar la salud, la dieta, etc. Este proyecto impulsa además la producción y uso de soya y

hortalizas en un nivel nacional.



### CEPAD (COMITE EVANGÉLICO PRO-AYUDA AL DESARROLLO).

El CEPAD es un ministerio de las Iglesias Evangélicas de Nicaragua que trabajan juntas en el desarrollo, en el socorro y la emergencia, y como voz de la comunidad evangélica el CEPAD es desarrollo.

El CEPAD, que trabaja en más de 400 lugares por todo Nicaragua, apoya los esfuerzos de los miembros de la comunidad local para mejorar sus recursos materiales, sociales y espirituales para vivir. El CEPAD no impone soluciones desde arriba, sino que trabaja con el pueblo para facultarlo a tomar sus propias decisiones acerca de sus propias vidas. El CEPAD provee capacitación y materiales para proyectos de agua potable, cooperativas, construcción de viviendas y letrinas, bienestar de la niñez mejoras agrícolas, atención médica y educación.

El CEPAD también apoya a las Iglesias locales en la capacitación teológica y en el desarrollo de pastores y líderes laicos, y en ministerios especiales con las mujeres y los jóvenes.

El CEPAD, originalmente creado para llenar las necesidades dramáticas surgidas con el terremoto de 1972, actualmente continúa su ministerio de ayudar a las víctimas de desastres naturales y humanos.

Cuando las inundaciones y terremotos o incendios dejan a los nicaragüenses sin hogar, estamos allí para ayudar.



A través de nuestros comités locales, el CEPAD provee alimentos de emergencia y ropa, y ayuda con materiales para el proceso a largo plazo de reconstruir comunidades.

Nicaragua actualmente está siendo azotada por una guerra impuesta por el gobierno de Estados Unidos la cual ha traído terror y sufrimiento a la población rural. Más de 250,000 de nuestros conciudadanos están sin hogar, desplazados por la guerra. El CEPAD al proveer alimentos, ropa y materiales de construcción está ayudando a más de 30,000 de estas personas, muchas de las cuales están involucradas en nuevas cooperativas agrícolas, a comenzar de nuevo a construir sus vidas para que sean productivas, felices y llenas de paz.

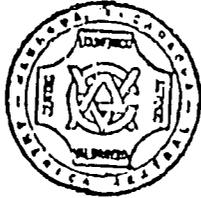
Al igual que la comunidad evangélica ha crecido rápidamente, también nuestras necesidades, nuestros problemas y nuestras alegrías han crecido. La Asamblea General del CEPAD es un foro donde compartimos todo esto. La Asamblea se reúne

mensualmente con delegados con voto de más de 45 denominaciones de organizaciones evangélicas y con comités pastorales locales, para adorar juntos y para discutir los asuntos que nos afectan más.

Los líderes, quienes trabajan en varias comisiones especiales de la Asamblea General, concentran su atención en las comisiones de Relaciones con las Iglesias, de Asuntos Jurídicos y Derechos Humanos, de Relaciones Internacionales y de Planificación.

Como voz de la comunidad evangélica el CEPAD dialoga activamente con el gobierno nicaragüense acerca de asuntos de preocupación común, e intenta jugar un papel conciliador en medio de un proceso de rápidos cambios sociales.

Como representante de la comunidad evangélica, el CEPAD auspicia a delegaciones de visitantes cristianos de otros países y facilita la formación de relaciones de iglesias hermanas entre iglesias extranjeras y congregaciones nicaragüenses.



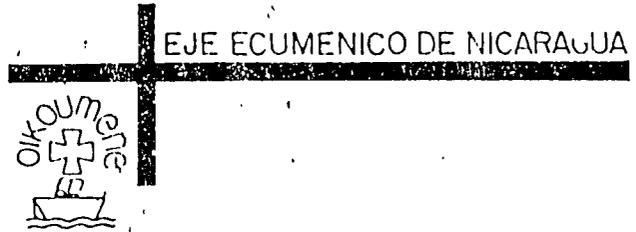
## CAV (CENTRO ECUMENICO ANTONIO VALDIVIESO)

CAV nació en Noviembre de 1979, cuatro meses después del triunfo de la Revolución Popular Sandinista. Esta organización no-gubernamental tiene como objetivo acompañar al pueblo fortaleciendo el proceso de transformación que le permita seguirse convirtiendo en sujeto de su historia y del quehacer teológico hacia un desarrollo integral. Este acompañamiento se inició con la reflexión sobre el acontecer revolucionario y continuó con el análisis de la rica y conflictiva experiencia vivida por los nicaragüenses a la luz de la Fe, con participación de pastoralistas, teólogos y sociólogos que colaboran con el pueblo en forjar su revolución en esperanza y a la luz del Evangelio.

En su servicio a las comunidades CAV escuchó las necesidades del pueblo que empezó a reconstruir su vida después de años de lucha. Los líderes rurales con las juntas locales identificaron proyectos comunales, productivos, cooperativos, sociales y de formación. Hoy en día los 34 proyectos de CAV se encuentran por todo el país.

Un servicio especial ofrecido por CAV es la Librería Antonio Valdivieso, una de las mejores del país. También CAV publica una revista, AMANECER (En español, inglés e italiano) que lleva la reflexión de la Fe y la Revolución al ámbito nacional e internacional. Con sus talleres de teología y su programa radial "El Evangelio en la Revolución" El Centro Ecuménico Antonio Valdivieso

sigue su meta de caminar con el pueblo en una fe cristiana y revolucionaria.

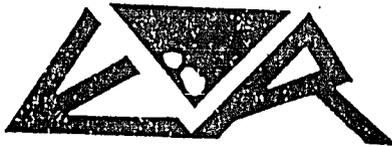


## EJE ECUMENICO DE NICARAGUA

El Eje Ecuménico nació en la tradición evangélica en el año 1978. Desde su inicio entró en la línea de una larga historia de cristianos de las Iglesias evangélicas buscando el modo de atraer a una actividad en conjunto de los muchos diferentes grupos eclesiales. Fuertemente enraizado en la visión revolucionaria, trabajó antes y después del triunfo de la revolución Sandinista, con la juventud y dirigentes de iglesias evangélicas para iluminar los principios de la revolución con la luz de la fe.

Con el afán de acompañar los hermanos campesinos en su lucha de reconstruir sus vidas en la nueva Nicaragua entró en la búsqueda y ejecución de proyectos. Montó un proyecto de formación vocacional y trajo cooperantes evangélicos de varias partes del mundo. Su línea fue la promoción humana, agronomía orgánica, y el trabajo con las compañeras prostitutas. Algunos de sus proyectos han sido "proyectos pilotos" marcando la pauta y el camino para otros centros.

Aunque desde 1983 el Eje Ecuménico ya no promueve proyectos, no obstante es aceptado y reconocido entre los miembros de los Organismos No-Gubernamentales. Su respaldo es su propia trayectoria moral, ideológica e histórica con la cual sigue acompañando las comunidades evangélicas en el proceso revolucionario.



ESCUELAS RADIOFONICAS

ERN (ESCUELAS RADIOFONICAS DE NICARAGUA)

Este ONG empezó su trabajo por el año 1965 aunque fue hasta el año 1983 que recibió su propia personería jurídica. Es una asociación civil sin fines de lucro, de inspiración cristiana a cargo de la Orden de Hermanos Menores Capuchinos, orientando el trabajo en áreas de comunicación popular, educación popular y capacitación con proyectos socio-económicos entre las clases populares del sector rural. Su finalidad es lograr la autorrealización de los sectores populares en forma consciente, progresiva e integral en orden a configurar hombres nuevos para una sociedad nueva.

Tiene por objetivos:

- a) Promover la concientización a la realidad en orden de suscitar un compromiso por transformarla.
- b) Promover aquellos valores

existentes en la cultura y religiosidad popular en orden de facilitar la formación y liberación integral.

- c) Proporcionar a los sectores populares conocimientos y técnicas en los campos de la Educación Popular, de la Salud e higiene ambiental, de la cooperación y de la formación humana, social y religiosa.
- d) Promover el valor "solidaridad", a expresarse en la incorporación consciente de las organizaciones del pueblo, en lo económico, social, cultural y religioso.
- e) Estimular y acompañar directa e indirectamente, proyectos comunitarios de autogestión, y servir de enlace entre agencias de ayuda interna y externa, privadas y públicas a fin de canalizar recursos que requieran la implementación de dichos proyectos.

Para el logro de estos objetivos la Asociación implementa programas de radio, grabaciones en cassettes, publicaciones populares, círculos de estudio, cursos y talleres, etc.



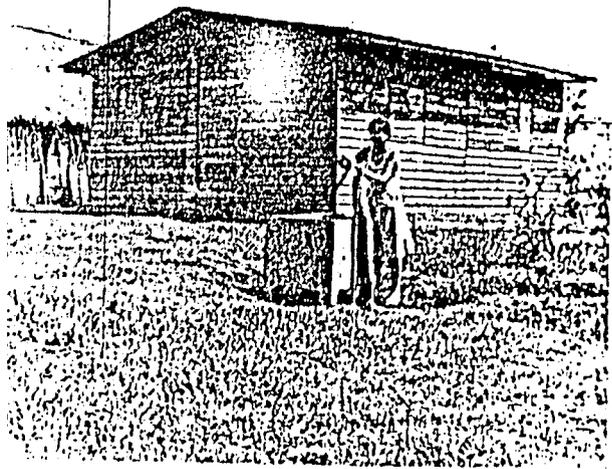
FACS (FUNDACION AUGUSTO CESAR SANDINO)

La FACS se organizó el 24 de Marzo de 1980 como un organismo privado no-gubernamental, sin fines de lucro y de carácter humanitario. Como respuesta a la necesidad de tener instrumento que apoyara técnica y profesionalmente a la formulación, gestión, ejecución y evaluación de los proyectos de los sectores populares.

Es por su medio que las organizaciones gremiales, sindicales y sociales del pueblo de Nicaragua participan en la defensa económica del país, promoviendo el financiamiento externo no-gubernamental para proyectos productivos, y sociales. Es la instancia a través de la cual, la solidaridad internacional contribuye mediante donaciones en especie y financiamiento, al desarrollo de esos proyectos, encaminados a mejorar el nivel de vida del pueblo, dando respuestas urgentes a la emergencia misma y al problema de desarrollo del país.

Para tal fin Fundación Sandino realiza las acciones siguientes:

- Gestiona ante los ONG's humanitarios y de solidaridad el apoyo material y económico necesario para desarrollar proyectos y programas económicos y sociales presentados por las organizaciones populares.
- Asesora a las diferentes organizaciones populares, gremiales y sindicales en elaboración de proyectos, que con una participación coordinada impulsen y ejecuten aquellos de desarrollo integral.
- Canaliza y/o administra los recursos financieros y materiales provenientes



de los donantes para el Pueblo Nicaragüense, a través de la supervisión y evaluación de los proyectos.

La formulación de los proyectos de los organismos populares se realiza a partir de perfiles elaborados por grupos de dicha organización, quienes a su vez, son asesorados directamente por FACS Regional. Dichos perfiles, son discutidos en las regiones, a fin de garantizar que se adecúen a las prioridades establecidas en el Consejo de Participación Popular y que se enmarquen en los planes de desarrollo de las regiones. La gestión puede realizarse directamente por el organismo beneficiado, o por medio de FACS. La gestión original se hace a partir del perfil del proyecto.

Las organizaciones laborales, gremiales, sociales, juveniles y sindicales que integran la FACS conforman el Consejo de Participación Popular como máxima instancia en la toma de decisiones.

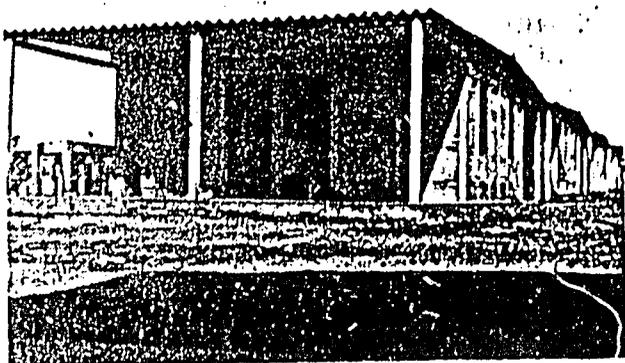
FACS se planteó la necesidad de impulsar programas de Desarrollo Integral (programas que contemplan todos los aspectos necesarios para garantizar el desarrollo integral de una comunidad) lógicamente, esto demanda un financiamiento mucho mayor que el de los pequeños o medianos proyectos individuales.

Esto significa en la práctica que un ONG, por sí solo no tendría capacidad de asumir el financiamiento, de ahí que se inició la modalidad en la gestión de conformar consorcios.

Los consorcios permiten:

- a) Promover el financiamiento de proyectos integrales que por su monto sólo podría hacerse mediante mecanismos de co-financiamiento.

- b) Promover esfuerzos conjuntos de ONG's de diferentes corrientes, tanto políticas como ideológicas, alrededor del apoyo a proyectos prioritarios para el pueblo, contribuyendo esta unidad en la acción al fortalecimiento de las propias ONG's cooperantes a lo interno de sus países.
- c) A través de los esfuerzos conjuntos de las ONG's cooperantes, ejercer mayor presión para el co-financiamiento gubernamental de sus proyectos.



### FUNDACION MANOLO MORALES

Esta Organización No-Gubernamental entró en existencia en el año 1982, promovida por amigos y ex-alumnos del muy respetado catedrático jurista Doctor Manolo Morales Peralta, muerto en el año 1975. Recogiendo sus inquietudes e intereses se puso a trabajar con los sindicatos y los campesinos. Apoya proyectos de capacitación, el uso de tecnología apropiada, viviendas, agua potable, árboles frutales, en líneas de resolución de problemas ecológicos. Desarrolla proyectos integrales

con cooperativas rurales y comunidades campesinas.

En el campo sus proyectos surgen de los campesinos y se ejecutan con buena coordinación con el gobierno regional. Evalúa altamente el aporte local de los campesinos y lleva un seguimiento evaluativo de sus proyectos individualmente. En la capital sus esfuerzos se han centrado en la creación de una librería (que está bien surtida) de amplio espectro ideológico.



### INSTITUTO DE ACCION SOCIAL

#### "JUAN XXIII"

"Juan XXIII" es una ONG de inspiración cristiana, incorporado a la Universidad Centroamericana, que tiene como objetivo promover, impulsar y acompañar Proyectos Sociales con los sectores más desfavorecidos.

Sus objetivos específicos son:

1. Ayudar a grupos y comunidades entre los sectores más pobres marginados u oprimidos de la sociedad, a identificar sus necesidades colectivas.
2. Apoyar la formulación de tales necesidades y la planificación de actividades de superación, en forma de Proyectos que pueden ser ejecutados por los mismos afectados.
3. Brindar servicios técnicos, sociales, educativos, financieros o materiales, para que la solución de necesidades vaya proporcionando, no sólo capacitación colectiva en la autogestión, sino una experiencia de participación fraterna y de fe en sí mismos como sujetos en la

construcción de una Nicaragua nueva.

Ayudar a las minorías secularmente oprimidas, a descubrir sus valores, la importancia de su aporte único y la dignidad de que son portadores, como elementos enriquecedores de la nacionalidad Nicaragüense.

Acompañar fraternalmente, desde una óptica cristiana, procesos de crecimiento social de los grupos de indígenas, campesinos, marginados urbanos y afectados por catástrofes (de guerras o naturales).

Proveer experiencias en que los estudiantes universitarios (de trabajo social, sociología, psicología, ciencias agropecuarias, etc.) puedan formarse como profesionales que entienden las dinámicas del desarrollo de proyectos socio-económicos a nivel de base, al mismo tiempo que devuelven al pueblo su capacitación, etc. y para que las bases sepan cómo utilizar instituciones más complejas para apoyar su desarrollo.

Brindar un espacio en que los estudiantes de las escuelas de sociología y administración puedan aplicar la metodología y elaborar mecanismos de seguimiento y evaluación de proyectos.

Enriquecer los programas de la universidad aportando la integración de proyectos iniciados en Juan XXIII, dentro de las facultades.

La finalidad del Instituto es el apoyo a los sectores más desfavorecidos, éste es el objeto fundamental e irrenunciable. Con todo, el destinatario directo de la acción institucional debe ser el grupo "promotor", los ejecutores de los proyectos, los agentes pastores y/o

comunitarios que acompañan día a día de las comunidades. Se entiende como grupo promotor no solamente los que ejecutan o promueven proyectos con el instituto, sino también grupos pastorales o sociales que generan comunidad y con los que se tiene algún tipo de relación institucional. Todo aquél que acompañe al pueblo en la búsqueda de su superación e inserto en él es destinatario de apoyo por parte del instituto. Al mismo tiempo, el instituto da prioridad al campo sobre la ciudad, visualizando especialmente, como destinatarios finales, a campesinos, desplazados de guerra, indígenas y víctimas de catástrofes.



# inies

INSTITUTO NICARAGUENSE DE  
INVESTIGACIONES ECONÓMICAS Y SOCIALES

INIES ( INSTITUTO DE  
INVESTIGACIONES ECONÓMICAS Y  
SOCIALES )

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Sus áreas específicas de trabajo se concentran en: la investigación, capacitación,

1999

documentación y difusión de las Ciencias Sociales las cuales ayudan en la búsqueda de alternativas de solución que enfrenten los diferentes y agudos problemas económicos y sociales que inciden en el desarrollo del proceso revolucionario nicaragüense.

El INIES, en su quehacer investigativo busca el desarrollo de la capacidad de análisis e investigación respecto al comportamiento de la política económica lo que conforma una de sus áreas sustantivas y prioritarias a proyectar.

Conjuga el conocimiento de la dinámica socio-económica dentro de una estrategia de desarrollo territorial en donde la participación popular es el eje central que orienta los diferentes trabajos.

Con el impulso que se le ha dado a un Centro de Publicaciones de las Ciencias Sociales se ha logrado publicar los avances y resultados de las investigaciones que, conjuntamente con los foros de discusión permanente sobre problemática económica y social de Nicaragua, han tratado de contribuir a la formación de los investigadores nacionales.

Objetivos generales de INIES:

- a) Procurar el desarrollo de la capacidad de análisis e investigación respecto al quehacer de la política económica como objetivo de estudio (área sustantiva)
- b) Llevar a cabo investigaciones que aborden y profundicen las diversas Estrategias de Desarrollo Territorial en donde la participación popular sea el eje central
- c) Conjugar el conocimiento de la dinámica socio-económica dentro de una Estrategia de Desarrollo Territorial en donde la participación

popular sea el eje central.

- d) Brindar apoyo documental a las áreas sustantivas del INIES priorizando los proyectos de investigación.
- e) Impulsar la organización del Centro de Publicaciones de las Ciencias Sociales.
- f) Promover y desarrollar foros de discusión permanentes sobre la problemática económica y social de Nicaragua.
- g) Contribuir a la formación de investigadores nacionales.



# INPRHU

*instituto de promoción humana*

INPRHU (INSTITUTO DE PROMOCION HUMANA)

Fue solo después de la desaparición de la dictadura de Somoza que este ONG logró su personería jurídica y esto por motivos sencillos.

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Su trayectoria desde el año de 1966 ha sido de fuerte apoyo a la educación liberadora y el desarrollo comunal. Se declara como una Institución Nicaragüense de Desarrollo, privada, sin fines de lucro, apartidista, de inspiración cristiana no confesional y pluralista.

Sus objetivos son:

1. Investigar la realidad socio-económica y cultural.
2. Promover el cambio social elaborando proyectos y modelos como instrumentos adecuados para la transformación de las estructuras.
3. Promover la educación y concientización de los sectores populares y la formación de dirigentes y agentes del cambio social.
4. Promover organizaciones populares de carácter económico, social y cultural tales como: Cooperativas, Juntas Comunitarias, etc.
5. Prestar asistencia técnica y económica a las organizaciones populares y las Instituciones Privadas de desarrollo.



6. Servir de enlace entre Instituciones de desarrollo Privadas y Públicas, Nacionales e Internacionales y organizaciones populares, profesionales y programas de base.
7. Contribuir al desarrollo de una cultura crítica de la realidad que sirva de fundamento para la creación de una nueva sociedad demográfica y humanista.

INPRHU logró un alto grado de profesionalización en la planificación, organización e implementación de los proyectos por medio de un equipo técnico de trabajadores sociales, sociólogos, agrónomos, economistas, abogados y un selecto cuerpo de promotores.

Algunos de sus programas han sido:

1. La educación liberadora
2. Desarrollo rural integral.
3. Acción comunitaria urbana.
4. Investigación económica social.
5. Recopilación de información confiable en datos estadísticos de la situación real de los sectores marginados.

Actualmente mantiene un Centro de Capacitación para Campesinos en Sébaco, beneficiando mayoritariamente a miembros de UNAG (Unión Nacional de Agricultores y Ganaderos). Así mismo ejecuta los siguientes programas:

1. Programa de Desarrollo Rural Integral (PRODERI)
2. Programa de Apoyo a la Pequeña Empresa.
3. Centro de Investigación y Asesoría Socio-Económica (CINASE).

# ● MIEMBROS DEL CEPAD ●

<u>DENOMINACION Y SU REPRESENTANTE</u>	
ALIANZA EVANGELICA DE NICARAGUA	Patricia Díaz
ASAMBLEA APOSTOLICA	Silvio Baltodano
ASAMBLEA DE IGLESIAS CRISTIANAS	Ismael García
ASAMBLEAS EVANGELICAS DE CRISTO	Mauricio Medina
ASOCIACION BAUTISTA AMERICANA	Emigdio Escobar
ASOCIACION CRISTIANA IGLESIA DE JESUCRISTO	Riman Avilés
ASOCIACION CRISTIANA NICARAGUENSE	Luciano Alemán
ASOCIACION IGLESIAS CRISTIANAS DE LA FE EN CRISTO	Ruben Alvarez
ASOCIACION IGLESIA EL REINO DE DIOS	Andrés Salazar
ASOCIACION IGLESIA DE CRISTO DE NICARAGUA	José Dolores Ocón
ASOCIACION DE IGLESIAS HERMANOS UNIDOS EN CRISTO	Guillermo Martínez
ASOCIACION DE IGLESIAS PENTECOSTALES BAUTISTAS	Guillermo Ayala
ASOCIACION MISIONERA EVANGELICA NACIONAL	Juan Mercado
CONCILIO DE IGLESIAS EL LIBANO	Santiago González
CONFERENCIA EVANGELICA PENTECOSTES DE LAS ASAMBLEAS DE DIOS	Bartolomé Matamoros
CONVENCION BAUTISTA DE NICARAGUA	Róger Zavala
CONVENCION BAUTISTA INTERNACIONAL	Norman Olinto Marengo
CONVENCION DE IGLESIAS EVANGELICAS MENONITAS	José Tomás Chavarría
CONVENCION DE IGLESIAS EVANGELICAS MISION CENTROAMERICANA	Juan Gaitán
EMBAJADORES DE CRISTO PENTECOSTES	Amulfo Vade
FRATERNIDAD DE IGLESIAS EVANGELICAS MENONITAS	Luis Mariano Guide
IGLESIA APOSTOLES Y PROFETAS	José de la Cruz Cordero
IGLESIA APOSTOLICA DE CRISTO	Juan Díaz Rodríguez
IGLESIA APOSTOLICA DE LA FE EN CRISTO	José Blanco Zapata
IGLESIA APOSTOLICA DE LA FE EN CRISTO JESUS	Oscar Andrade
IGLESIA APOSTOLICA LA PRIMAVERA	Pedro J. Rodríguez
IGLESIA APOSTOLICA UNIDA	Aura Estela de Hernández
IGLESIA BIBLICA NACIONAL	Freddy Ordoñez
IGLESIA CRISTIANA REFORMADA	Adalberto Sequeira
IGLESIA DE DIOS DE NICARAGUA	Carlos Aguilar Madrigal
IGLESIA DE DIOS DEL SEPTIMO DIA	Ana Ma. Sánchez
IGLESIA DE DIOS DE LA PROFECIA LIBRE	Gabino Balladares
IGLESIA DE DIOS MONTE DE SION	Rodolfo Gómez
IGLESIA DE DIOS PENTECOSTAL M.I.	Nicanor Mairena
IGLESIA DEL NAZARENO	

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IGLESIA EPISCOPAL DE NICARAGUA [ANGLICANA]	<i>Sturdie Downs</i>	<b><u>INSTITUCIONES</u></b>	
IGLESIA FUNDAMENTAL DE JESUCRISTO		ALFALIT	
IGLESIA LLAMA DE DIOS PENTECOSTAL		RADIO ONDAS DE LUZ (ACUN)	<i>Darwin López</i>
IGLESIA MENSAJE DE RESTAURACION	<i>Oscar Matute</i>	HOGAR DEL NIÑO DOUGLAS	<i>Guillermo Osomo</i>
IGLESIA MORAVA	<i>Oscar Cubillo</i>	SÓCIEDADES BIBLICAS DE NICARAGUA	<i>Juan Manuel Ortíz</i>
IGLESIA NACIONAL DEL NAZARENO	<i>Norman Bent</i>		<i>Ignacio Hernández</i>
IGLESIA PENTECOSTAL UNIDA	<i>Edytha Cruz Hernández</i>	<b><u>ASAMBLEAS REGIONALES DE PASTORES DEL CEPAD</u></b>	
IGLESIA UNIVERSAL CRISTIANA	<i>Ignacio Morales</i>	CEPAD I REGION	
LA GRAN COMISION	<i>Miguel A. Gutiérrez</i>	CEPAD II REGION	<i>Bildad Blandón</i>
MISION CRISTIANA	<i>Julio C. Delgado</i>	CEPAD III REGION	<i>Mercedes García</i>
MISION EVANGELICA LA PRIMITIVA	<i>Cárida Moncada de Dávila</i>	CEPAD IV REGION	<i>Rodolfo Fonseca</i>
MISION EVANGELICA NACIONAL	<i>Efraín Morales N.</i>	CEPAD V REGION	
MISION HERMANOS EN CRISTO	<i>Victor Adán Salazar</i>	CEPAD VI REGION	<i>Ramón Maltez</i>
MISION JESUCRISTO LA UNICA ESPERANZA	<i>Rosendo Pérez</i>	CEPAD RAAN	<i>Oscar Acuña</i>
MISION PENTECOSTES DE LAS IGLESIAS CRISTIANAS	<i>Apolinar Sevilla</i>	CEPAD RAAS	<i>Francisco Baker</i>
UNION NACIONAL DE IGLESIAS CRISTIANAS	<i>Anastacio Martínez</i>	CEPAD RIO SAN JUAN	
ARCA DE SALVACION	<i>Edgar Garache</i>		

**JUNTA DIRECTIVA**

- DR. y REV. GUSTAVO A. PARAJON D. *Presidente*  
Convención Bautista de Nicaragua
- REV. PEDRO P. CASTILLO *Vice Presidente*  
Iglesia de Dios de Nicaragua
- REV. ADOLFO SEQUEIRA *Secretario*  
Iglesia de Dios de Nicaragua
- HNO. ALI VELASQUEZ *Fiscal*  
Asociación Misionera Evangélica Nacional
- REV. MARCOS GAITAN *Vocal*  
Asamblea Apostólica de Nicaragua.

2011

**SUPPLEMENT D**

**List of Salesian Institutions**

ADDENDUM B-23

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LISTA DE INSTITUCIONES SALESIANAS EN NICARAGUA  
Y LOS SERVICIOS QUE PRESTAN

1. Centro Juvenil Don Bosco, Managua.

Personal: 8 religiosos, 39 laicos

Servicios:

- Capacitación en talleres de imprenta, carpintería, mecánica, corte y confección, y mecanografía.
- Centro juvenil: canchas deportivas, parque infantil; escultismo para varones y mujeres (boy scouts/girl scouts) y grupos de desarrollo humano.
- Otras actividades recreativas: desarrollo humano y ético para niños, programas alimenticios, radio de circuito cerrado.

Beneficiarios:

-- Talleres. . . . .	400
-- Centro juvenil. . . . .	8,000
-- Grupos juveniles. . . . .	900
Total: . . . . .	9,200

2. Escuela María Mazzarello, Managua

Personal: 8 religiosas, 30 laicas,

Servicios:

- Colegio primario y secundario
- Centro juvenil: catecismo, clubes de desarrollo humano, deportes
- Actividades artísticas y culturales
- Talleres de cocina, mecanografía y corte y confección
- Alimentación infantil

Beneficiarios:

-- Colegio. . . . .	560
-- Centro juvenil . . . . .	1.500
-- Otras obras sociales . . . . .	300
Total. . . . .	2,360

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3. Colegio Salesiano San Juan Bosco, Masaya

Personal: 6 religiosos; 45 laicos

Servicios:

- Colegio primario y secundario
- Pequeños talleres de capacitación de carpintería
- Centro juvenil
- Cursos vespertinos para trabajadores
- Biblioteca pública

Beneficiarios:

-- Colegio . . . . .	1,100
-- Centro juvenil . . . . .	500
-- Grupos juveniles . . . . .	500
-- Colegio gratuito . . . . .	800
Total . . . . .	<u>2,900</u>

4. Centro de Formación, Masaya

Personal: 1 religioso, 2 laicos

Servicios:

- Desarrollo humano
- Deportes y actividades recreativas
- Grupos juveniles y de escultismo (scout)
- Dispensario médico

Beneficiarios: Total . . . . . 25

5. Colegio Salesiano San Juan Bosco, Granada

Personal: 8 religiosos, 56 laicos

Servicios:

- Colegio primario y secundario
- Centro juvenil y actividades de desarrollo juvenil
- Escultismo (scout)
- Cursos de alfabetización
- Programas alimenticios
- Actividades musicales y culturales

Beneficiarios:

-- Colegio . . . . .	1,500
-- Grupos juveniles . . . . .	300
-- Actividades cotidianas . . . . .	100
-- Actividades de los domingos . . . . .	600
Total . . . . .	<u>2,500</u>

6. Colegio Profesional María Auxiliadora, Granada

Personal: 12 religiosas, 38 laicos

Servicios:

- Colegio primario y secundario
- Centro juvenil
- Enseñanza de corte y confección, bordado y artesanía, mecanografía, inglés, y música.

Beneficiarios: Total . . . . . 1,500

7. Colegio María Auxiliadora, Granada

Personal: 13 religiosas, 55 laicos

Servicios:

- Pre-escolar, colegio primario y secundario
- Centro juvenil
- Cursos de mecanografía, bordado a máquina y a mano, corte y confección, artesanía, e inglés
- Actividades deportivas y recreativas
- Biblioteca
- Actividades de catecismo

Beneficiarios:

-- Colegio. . . . . 1,280  
-- Todas las otras actividades. . . . . 760  
Total. . . . . 2,040

3. Colegio María Auxiliadora, Masatepe

Personal: 8 religiosas, 32 laicos

Servicios:

- Pre-escolar, colegio primario y secundario
- Centro juvenil
- Cursos de mecanografía, corte y confección, bordado, telares, y artesanía
- Deportes, danza y teatro
- Dispensario médico
- Actividades de catecismo

Beneficiarios:

-- Colegio. . . . . 650  
-- Grupos juveniles . . . . . 900  
-- Dispensario. . . . . 300  
Total. . . . . 1,850

9. Escuela San José, Jinotepe

Personal: 3 religiosas, 18 laicos

Servicios:

- Escuela primaria
- Grupos juveniles
- Banda

Beneficiarios: Total. . . . . 1,200

10. Casa Inmaculada, Camoápa

Personal: 4 religiosas, 15 laicos

Servicios:

- Escuela parroquial
- Promoción de la mujer
- Cursos de costura
- Economía doméstica

Beneficiarios: Total. . . . . 400

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**SUPPLEMENT E**

**Article on Evangelical Churches in Nicaragua**

**ADDENDUM B-24**

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CONSEJO DE  
IGLESIAS  
EVANGÉLICAS  
(PRO-ALIANZA DENOMINACIONAL)  
CEPAD

# REFLEXIONES

AÑO 1, NUMERO 2, JULIO 1996

## ¿Quiénes Fueron Los Primeros Evangélicos en Nicaragua?

Es muy importante para el pueblo evangélico de Nicaragua conocer las raíces históricas de su presencia en nuestro país. Es por ello que procuraremos informar sobre nuestro nacimiento como evangélicos en Nicaragua a través de algunos apuntes que hemos hecho en relación a este tema.

Es bueno conocer que la conquista de nuestra América Latina y la Reforma Protestante fueron acontecimientos contemporáneos. Para citar algunos ejemplos diremos que Hernán Cortéz, gran conquistador de México, nació en 1485 y Martín Lutero en 1483. La conquista de México empezó en 1519, dos años después que Lutero fijara las 95 tesis en la puerta de la iglesia de Wittenberg.

Al estudiar la historia del protestantismo en América Latina hay que tener presente que durante los siglos inmediatamente anteriores a la Reforma Protestante los españoles habían llegado a ser los defensores más decididos y militantes del catolicismo romano. Esto se debió principalmente a su lucha con los moros y su región. Los derrotaron completamente, y el largo dominio arabe-moro por más de diez siglos tocó a su fin en 1492, año en que es descubierta América por Cristóbal Colón.

Solo 25 años más tarde surgió lo que pareció ser otra amenaza para la iglesia de Roma: La Reforma Protestante. España, paladín por excelencia de su iglesia, se

levantó como ningún otro pueblo para defenderla, llegando a ser el peor enemigo de la Reforma Protestante. Fué el catolicismo español el que produjo la contrarreforma; sus teólogos dominaron el Concilio de Trento y le dieron un carácter totalmente anti-protestante. La Inquisición fué extendida a todas las colonias del inmenso imperio español.

De modo que debido a estas circunstancias, era muy difícil que el protestantismo se introdujera en las colonias españolas.

Por otro lado, había otra nación que le

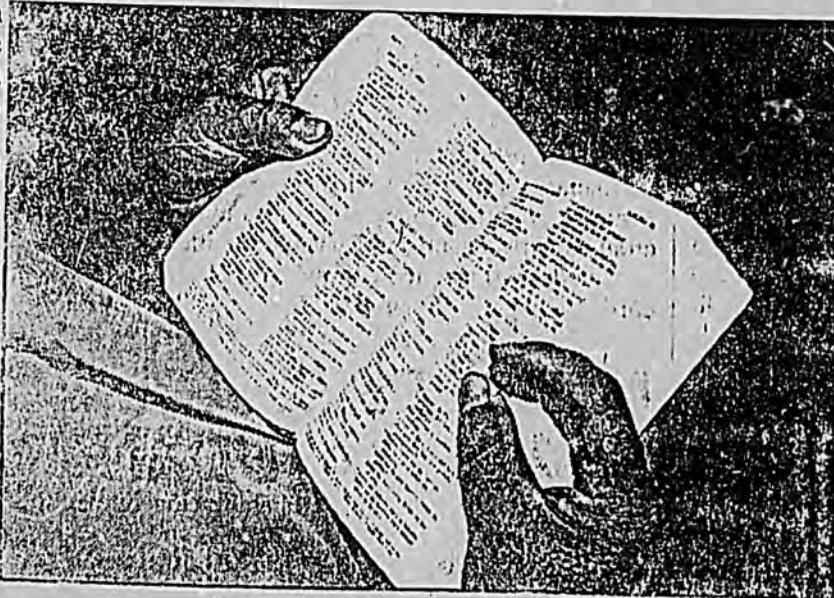
donde habían varias islas españolas. En 1655, en época de Oliverio Cromwell, Jamaica fué tomada por los ingleses, el catolicismo romano fué proscrito y el anglicanismo establecido en la isla.

Los ingleses no quedaron satisfechos con poseer algunas islas en las Antillas sino que también llegaron a las costas de Centro América. En 1638 un grupo de náufragos ingleses (otra fuente dice "bucaneros") se estableció donde ahora se haya la ciudad de Belize.

Los ingleses extendieron su influencia y dominio por la Costa Norte de Honduras, como también desde 1678 asumieron cierto protectorado sobre los indios miskitos que vivían en la Costa Oriental de Nicaragua. De modo que los ingleses controlaban toda la Costa del Atlántico de América Central, desde Belize en el Norte, hasta San Juan del Norte en Nicaragua en el Sur. Esta hegemonía continuó aún después de la Independencia de Centro América de España, pero antes de terminar el siglo XIX se había acabado, con excepción de Belize. Sin embargo la influencia cultural y religiosa de los ingleses perdura hasta el día de hoy por toda esta costa.

disputaba a España el dominio sobre el Nuevo Mundo, se trataba de Inglaterra, nación que llegó a ser el baluarte principal del protestantismo. Piratas como Drake, Hawkins y Morgan hostigaban en extremo el comercio de España con sus colonias. Inglaterra se adueñó del Mar Caribe en

Durante la época colonial los piratas y bucaneros tenían escondites en lugares como Belize, Roatán y Bluefields, de donde salían para atacar y saquear los galeones españoles cargados de plata y oro que, a su vez, los españoles habían sa-



queado de los indios americanos.

Debido a este dominio inglés de las costas del Caribe entró el protestantismo en Centro América aún durante la época colonial.

Pero hay indicios de que hubo casos de protestantes particulares aún en las tierras netamente hispanoamericanas. ¿Cómo lo sabemos?. Por medio de las actas o los archivos de los tribunales inquisitoriales.

La Inquisición había existido en la América Hispana casi desde el principio, aunque como institución episcopal. Pero como arma del imperio español, o sea la Inquisición española, fue establecida en el Nuevo Mundo por Felipe II mediante una cédula emitida el 25 de Enero de 1569.

El primer caso de protestantismo o de un protestante en Centro América fué el de un maestro Francisco, de oficio carpintero, natural de Grecia. Fué denunciado como luterano en Granada de Nicaragua en 1556. Pero en 1562 el obispo Carrasco lo libró a título de "reconciliado" (a la iglesia) en el "auto de fé" de Enero, 1563. Según lo narra González Báez-Camargo en su libro *Protestantes Enjuiciados por la Inquisición en Ibero-América*. (México: Casa Unida de Publicaciones, 1960).

A fines del mismo siglo hubo otros dos procesos importantes: en Granada el de Enrique, un sastre flamenco, por luterano, y en el Realejo el que se levantó en contra de Simón, un carpintero que fué denunciado por haber hablado en contra de las fiestas religiosas y tenido correspondencia con los piratas ingleses. Según lo cuenta también Báez-Camargo.

Durante la época colonial las puertas a la América estaban herméticamente cerradas para el protestantismo. Ser protestante era ser criminal y la Santa Inquisición era la policía secreta religiosa que vigilaba para que ningún hereje entrara. Expulsaba o acababa a quien pudiera haber entrado.

Debido a la íntima relación entre la iglesia y el Imperio Español, la Inquisición tenía tanto carácter político como religioso: no sólo era "Inquisición" sino también "española". Algunos apologistas de la Iglesia Católica para librarla de culpa por la existencia de esta horrible institución, insisten en que era una institución principalmente política.

Con la independencia desapareció la Inquisición, la cual, era una de las instituciones más odiadas por los patriotas. Así, la independencia quitó el mayor obstáculo para la entrada del protestantismo.

Basado en el libro  
*El Protestantismo en Centroamérica*  
de W.M. Nelson

## TALLER DE MANUALIDADES SE IMPARTE EN LEON

El 13 de Junio en León se impartió un curso-taller sobre Manualidades con la asistencia de sesenta mujeres de las diversas comunidades de la II Región. Mediante el proyecto de Tecnología Apropriada se enseñó a las hermanas las técnicas para elaborar silos para guardar granos básicos, entre otras.

## MUY ACTIVA LA PASTORAL DE LA MUJER

Sesenta y seis talleres donde se expondrán temas bíblicos, teológicos, pastorales, administrativos y de salud están programados para este año en seis regiones del país con el objeto de capacitar a un total de 2,237 hermanas que les permita un mejor desenvolvimiento en la vida diaria y desarrollar un mejor ministerio.

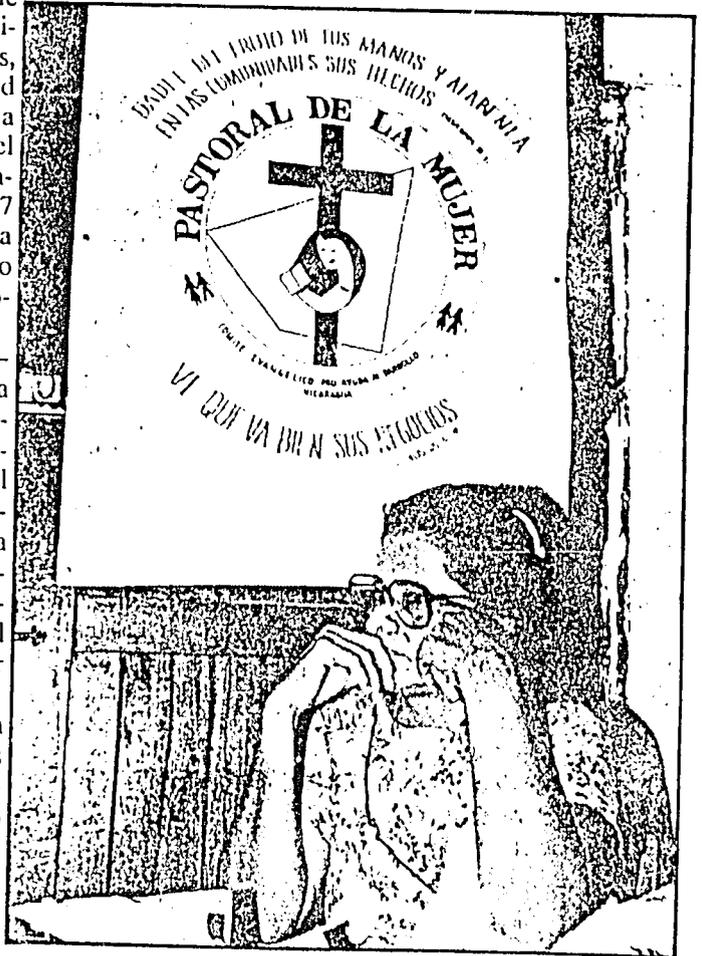
Como parte de este programa de la Pastoral de la Mujer, en Villa Carlos Fonseca, donde se realizó un encuentro por una Pastoral Transformadora, las hermanas Isabel Ríos y Lidia García explicaron, a las participantes de las comunidades aledañas el papel que debe asumir la mujer cristiana.

Ana Mery Dávila de la comunidad Villa Carlos Fonseca, explicó la experiencia que han venido acumulando con la asistencia del CEPAD, logrando enseñarle costura a muchas hermanas, y otras siete, en conjunto con un hermano, formaron un colectivo de producción de pan para ayudarse en sus hogares y contribuir en las comunidades al vender el producto a precios populares.

El colectivo arrancó con un préstamo de 56.000.000. (cincuenta y seis millones de córdobas) aportado por el CEPAD.

## MUJERES DISCAPACITADAS SE AUTO AYUDAN

El Centro de Promoción de Rehabilitación Integral (CEPRI) en coordinación con el CEPAD realizó un Encuentro con un grupo de mujeres discapacitadas de la II Región para escuchar sus problemas, capacitarlas y buscarle una solución. Al concluir el seminario se acordó formar grupos de auto-ayuda. También se les ofrecerá servicios psicológicos. Mirna Rocha, Directora del CEPRI, dijo: "la mujer discapacitada sufre doble marginación. Hay que seguir brindándole capacitación técnica para que trabaje por sí sola."



## SEMINARIOS EN V Y VI REGIONES

En las regiones V y VI se han impartido seminarios, siempre en la línea de la Pastoral de la Mujer. En Juigalpa, el 4 y 5 de Junio se realizó un seminario-taller con el tema "Problemas Éticos de la Iglesia", con la asistencia de 32 mujeres de Santo Tomás, Nueva Guinea, Boaco, El Rama y Teustepe. Las delegadas de Santo Tomás al final del evento acordaron formar un Comité Pastoral de la Mujer al escuchar que en los otros municipios las hermanas ya estaban organizadas.

En Matagalpa se impartió otro seminario: "La Mujer en el Hogar", donde se abordó el debatido tema de la reconciliación y la paz. En Jinotega, producto del impulso de los Comités Pastorales de la Mujer, se dieron cursos de corte y confección, y hay visitas de acompañamiento a los discapacitados.

## EVANGELICOS DE EUROPA AYUDARAN AUN MAS AL CEPAD

El Profesor Gilberto Aguirre, Director Ejecutivo del Consejo de Iglesias Evangélicas (CEPAD), regresó recientemente de una gira por los países de Europa, donde fue invitado por el Consejo Mundial de Iglesias.

Doce organismos evangélicos de siete países europeos se mostraron muy interesados en conocer los programas que desde su fundación emprende el CEPAD, los cuales fueron ampliamente explicados por el profesor Aguirre.

Al enterarse de los positivos logros de los diversos programas sociales en favor de las comunidades urbanas y rurales y las tareas de evangelización y paz, los representantes de los organismos con los cuales hizo contacto el profesor Aguirre se mostraron muy interesados en contribuir con el CEPAD. El profesor Aguirre fue acompañado por el director de la División Financiera del CEPAD, Gabriel Gaitán.

Entre los primeros que prometieron ayuda se encuentran: la Iglesia de Noruega, ICCO de Holanda, EMW de Hamburgo-Alemania. La Iglesia de Suecia está interesada en ayudar a los programas de emergencia del CEPAD y los pastores de Dinamarca desean visitar pronto Nicaragua para intercambiar experiencias con los pastores evangélicos de las distintas denominaciones de nuestro país.

## IGLESIA DEL NAZARENO EN PROGRAMA DE ATENCION MEDICA

El Reverendo Nicanor Mairena, Superintendente de la Iglesia del Nazareno de Nicaragua, anunció un proyecto de atención médica en las comunidades urbanas y rurales con ayuda de un próximo envío de medicamentos de los hermanos nazarenos de Estados Unidos.

También manifestó que se reacondicionaron una escuela primaria completa en la ciudad de Rivas y el funcionamiento del Instituto Bíblico de San Jorge, donde hay quince jóvenes que egresarán con el diploma de Bachillerato en Ciencias Letras y Teología.

"En el proceso de consolidación de la Iglesia del Nazareno hemos duplicado la membresía y nuestra meta es capacitar a los nazarenos y que sepan por qué están dentro de la Iglesia," expresó el Reverendo Mairena. Agregó, "en estos días difíciles, todos nuestros esfuerzos están orientados en respaldar los trabajos programados por el CEPAD. Debemos seguir adelante para que la paz sea una realidad".



Mujer virtuosa,  
¿quién la hallará?  
Porque su estima  
sobrepasa  
largamente  
la de las  
piedras  
preciosas.

Proverbios 31:10