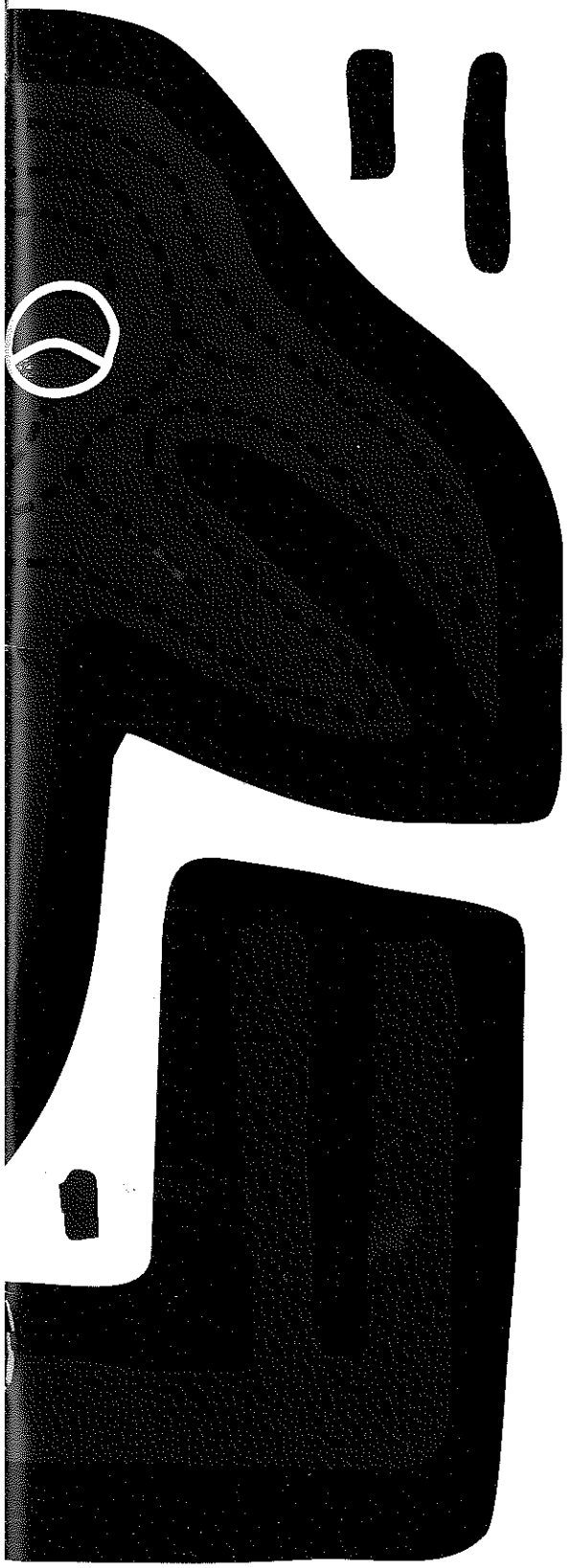
A MODEL FOR

INTERNATIONAL TRAINING

THE EXPERIENCE OF THE USAID PANAMA AND IOWA STATE UNIVERSITY

MINISTRY OF ECONOMIC POLICY AND PLANNING
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT
IOWA STATE UNIVERSITY



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THE EXPERIENCE OF THE USAID/PANAMA AND IOWA STATE UNIVERSITY

Prepared by:
David E. Hansen
Chief of Party/Adjunct Professor
Iowa State University

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IOWA STATE UNIVERSITY

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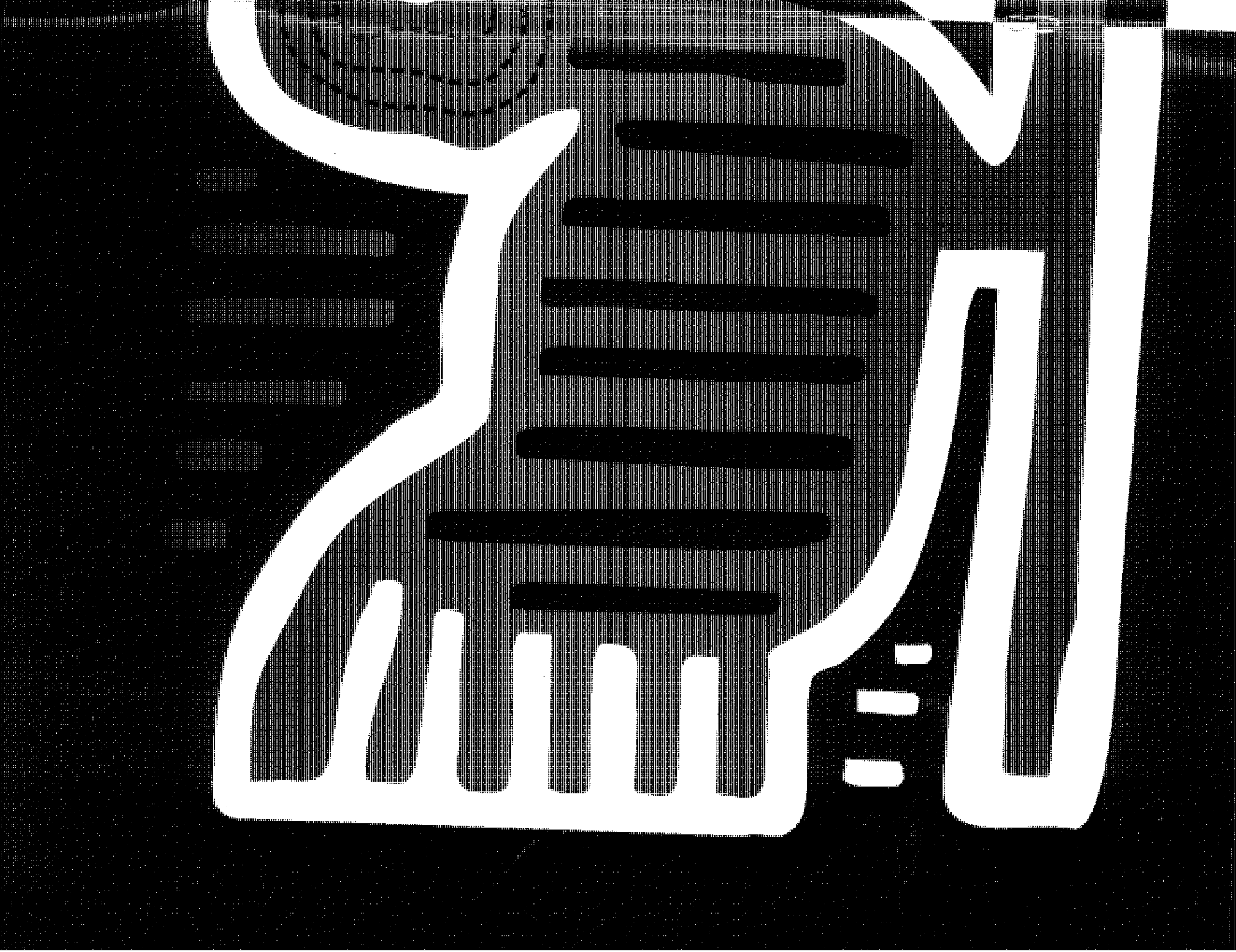

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EXECUTIVE SUMMARY

In 1991, Panama's Ministry of Economic Policy and Planning (MIPPE) approached USAID and Iowa State University to help retrain economists in the country's public sector. As a result a three-year program successfully extended U.S. education.

The three-year program retrained 132 public sector economists and university faculty from 44 institutions, or 80 percent of all Panamanian public sector institutions.

The retraining provided exposure to market concepts that was lacking in Marxist-dominated instruction at Panamanian public universities. The program introduced participants to analytical methods to conduct empirical studies urgently needed by the Panamanian government.

One significant impact of the program was on the University of Panama's economics instruction. A motivation for the third-year program extension was to address the university's economics faculty training deficiencies.

The program also succeeded in enrolling a high percentage of women. Nearly half of the graduates were female, a fact which improved the program's outcomes.

The participants gained professionally and personally from the program.

A survey of second-year participants immediately after they completed the program found that 25 percent had already been assigned new job responsibilities. All but one indicated the program had been helpful in obtaining the new position. When asked about reports or assignments completed after entering the program, 80 percent indicated that the training had been an important factor in improving the quality of those reports.

The sacrifices associated with completing the program provided the participants with a sense of accomplishment. Although none had ever been in Iowa, they developed strong feelings of loyalty for Iowa State University. Work groups adopted the ISU mascot and the students have formed an active "Former ISU Students of Panama Association."

Rewards from the program were many and depended on individual circumstances. Comments from participants are distributed throughout this report to give their personal perspectives.

INTRODUCTION

The government of Panama identified a significant need for improving the country's higher education economics instruction. The USAID/Panama economics retraining program made important strides to reverse these serious educational deficiencies.

The retraining model developed in Panama is a major departure from couventional training approaches. The program features significant cost saving opportunities and the ability to reach dedicated professionals who are typically passed over by more conventional programs.

The new approach also provides insight into the great impact that retraining programs can have. Other missions, international agencies and U.S. universities can replicate the Panama experience in many other countries and settings. However, the program's innovations and the reasons for their success must be clearly understood.

PANAMA'S ECONOMICS RETRAINING NEEDS

Economics faculty members of Panamanian public universities require retraining in specific areas. Some were fortunate enough to have received overseas training, however, overseas training opportunities were dominated by scholarships to Eastern Europe and the former Soviet Union. This training failed to provide exposure to the operation of markets or the private enterprise system. Analysis of prices and their role in resource allocation was missing. And, the use of analytical tools and quantitative techniques was not given high priority.

> EVEN THOUGH WE WERE ECONOMICS GRADUATES, WE WERE COMPLETELY UNPREPARED FOR THIS LEVEL OF RIGOR. THAT TELLS ME WE HAVE TO MAKE SOME FUNDAMENTAL CHANGES STARTING WITH PRIMARY SCHOOL.

Leila Small, FIRST-YEAR STUDENT, MINISTRY OF EDUCATION PLANNER

The United States Agency for International Development/Ministry of Economic Policy and Planning/Iowa State University (USAID/MIPPE/ISU) training program came at a critical point in Panama's history. The country was completing a difficult transition from a long history of dictatorships to a freely elected democratic system. The post-Noriega government of Panama was attempting to prod the economy in the direction of more competition and globalization.

The training program participants wanted to contribute, and become a part of changes which could move the country out of turmoil and crisis. At a time when economists could play a key role in making prosperity and stability a reality, their previous training made it difficult to participate in a more meaningful way.

Training participants were outspoken in their concerns over the lack of professional esteem for economists. They looked to the USAID program to help them confront this with new tools and concepts that had been missing in Panama. The participants immediately grasped the significance of extended study from a prestigious U.S. university.

GOVERNMENT OF PANAMA LEADERSHIP & COOPERATION

The Ministry of Economic Policy and Planning (MIPPE) was the Panamanian connterpart agency. From the beginning, MIPPE acted as a full partner with USAID and ISU. MIPPE had an equal vote in the admission decisions on each candidate. MIPPE joined USAID and ISU in all program recruitment and informational activities.

After national elections, the new government continued to embrace the program. MIPPE identification with, and support of, the program continued to increase. MIPPE provided invaluable leadership in the logistical support with nnmerous governmental agencies. Often these contacts were of a sensitive political nature.

It was MIPPE that provided all the essential classroom and computer laboratory facilities. USAID added the needed equipment. As one of the clearest indications of MIPPE's support, its training office (CEPRHUSEP) completely revamped its own important training programs to accommodate the needs of the USAID/MIPPE/ISU economics training program.

For participating government agencies, release time provided to their workers constituted a significant sacrifice. Many participants held very important positions. Not all participating agencies had fully appreciated what a two-hour absence of their workers--each day, for an entire year--would really mean. MIPPE/CEPRHUSEP and USAID were instrumental in sustaining the support from these government institutions.

USAID/ISU ARRANGEMENTS: PROGRAM STAFF AND FUNDING

The USAID mission engaged ISU through the mechanism of a "Cooperative Agreement." When a program is highly innovative, there is much that can go wrong as new territory is explored. The cooperative agreement is an arrangement that permits USAID a more direct involvement rather than the more typical monitoring/intervention role. This turned out to be of imperative importance. Numerous Panamanian governmental iustitutions received benefits from the program. USAID could represent U.S. interests before those agencies in ways that would not have been appropriate for a U.S. university.

USAID funding to ISU was $871,000 for the initial two-year program. ISU provided matching support of $466,000--mostly through reduced overhead and educational fees. USAID funding for the third year project extension was $361,000 with ISU coutinuing its proportional match.

The ISU/Panama office was initially staffed by one ISU faculty member (as Chief-of-Party) and a Panamanian administrative assistant. A part-time Panamanian mathematics/statistics instructor was added when the training deficiencies in this area threatened to compromise the program's success. The administrative assistant also became instructor of the nine-month special ISU computer training program.

ISU support included an education coordinator (who also was an instructor of the Special Topics course) and one administrative assistant--both part time. ISU recruited internationally renowned economists to cover Special Topics materials, and provided outstanding former graduates to teach the remaining academic courses. The principal role of the ISU/Panama and ISU/Ames offices was to support these instructors.

During the third year, the ISU Chief-of-Party relocated to the ISU campus. He continued to serve part-time as Chief-of-Party and also assumed the education coordinator responsibilities. The ISU/Panama office was staffed by a Project Coordinator (former administrative assistant) and administrative assistant (former statistics instructor). They also continued to expand the computer and

> I HAD NEVER BEEN ABLE TO APPLY THE CONCEPTS LEARNED AT THE UNIVERSITY, WHEREAS WITH ISU, THE APPROACH REALLY SHOWED US APPLICATIONS FOR BOTH MICRO AND ECONOMETRICS.

Hector Anaya, FIRST-YEAR STUDENT, NATIONAL INSTITUTE FOR AGRICULTURAL RESEARCH ECONOMICS PLANNER

statistics training programs. ISU and USAID greatly benefited from the understanding of U.S. universities gained by both staff members as previous Fulbright program participants.

NATURE OF THE ACADEMIC PROGRAM

ACADEMIC COURSE CONTENT

ISU presented four academic courses: intermediate microeconomic theory (micro), intermediate macroeconomic theory (macro), econometrics and special topics. Each course was presented as an intensive module with a duration of approximately 10 weeks. This was repeated each year for the three-year period. All participants were regularly enrolled students of ISU. Those successfully completing the entire year's course sequence received 13 units of academic credit from ISU.

The academic content of the courses was the same as if the participants had been enrolled in those courses on campus in Ames, Iowa. However, some modifications in the delivery of that content were made. These changes served to increase both the interest and usefulness of the academic material to the Panamanians:

1. All lectures were given in Spanish.
2. Textbooks were Spanish translations purchased through the USAID/RTAC program.
3. The number of contact hours of instruction was increased to overcome background deficiencies of the participants.
4. Additional weekend and review classes were provided on a voluntary basis by ISU instructors to further address background deficiencies.
5. Emphasis on outside assignments involving problem solving and practical applications was expanded to lessen the "dry theory" stigma and to increase the student confidence with the new concepts and tools.
6. A concerted effort was made by instructors to incorporate Panamanian examples into their classes.
7. A much greater emphasis on the use of computers in support of the academic material was provided than would have been possible in Ames.

REMEDIAL SUPPORT

Beyond the modifications in the academic program to address the background deficiencies of the participants, a complete complementary program of remedial support had to be developed by ISU.

Fortunately, the project design had anticipated significant deficiencies in previous training. A thoughtful decision to present upper-division undergraduate (rather than graduate) instruction saved the project from certain disaster. A provision for some economics principles "refresher" lectures was also provided.

Even so, the project design underestimated the magnitude of remedial work that would be needed to assure the program's success. Each year the decision was made to expand the remedial support program. By the third year USAID, MIPPE and ISU "got it right."

The ISU Chief-of-Party anticipated providing five "refresher" economics lectures and a one to two week introductory computer skills program. The need to expand support was quickly apparent. The refresher lectures were doubled to 10. The ISU/Panama administrator stepped in and volunteered to develop a "real" computer instruction program. In addition, ISU had to find someone who could tutor and offer a set of Saturday classes in remedial statistics and mathematics.

By the third year, the remedial economics principles classes had been extended to a full month. Participants would have benefited from even more, but this was offset by their impatience to "get into the real program." The computer training assumed major significance as a nine-month offering. In the minds of employers and participants, this program was on a par with the academic courses in its importance and on-the-job impact. The remedial statistics/mathematics program was incorporated into the regular class schedule for a seven-month period.

These modifications were provided by ISU on an overload basis with no increase in budget. The importance of the three "program partners" remaining flexible to the remedial support needs cannot be overemphasized. Each year the quality and effectiveness of the program increased. The modifications would not have been possible without the understanding of the USAID project officer that some trade-offs would have to be found with report writing and other typical office functions.

> WHEN STUDENTS CAN'T KEEP UP THE PACE, INSTRUCTORS TEND TO SLOW DOWN AND LOWER THE LEVEL — AND THEY DON'T ACHIEVE ANYTHING. ISU WORKED WITH STUDENTS INDIVIDUALLY, BUT DIDN'T SLOW THE PACE OR LOWER THE EXPECTATIONS.

Maura Nuñez, THIRD-YEAR STUDENT, UNIVERSITY OF PANAMA PROFESSOR OF ECONOMICS

ISU CHIEF-OF-PARTY DAVID HANSEN, RIGHT, AND INSTRUCTOR VICTOR BRECIA IN CLASS.

CLASS SCHEDULING

The participating Panamanian governmental agencies provided release time from 8 to 10 a.m. each day for each student. Scheduling of the courses **before work** was key to the program's success. Organizers were aware that once the participants reported to work there were certain to be "emergencies" that would prevent them from getting to class. As it was, participants were at times met by messengers from work as they left class or were even pulled out of class due to office needs.

The class was split into two groups of approximately 25 each. This was important to increase the opportunity for discussion and to permit questions to clarify the material. The original schedule called for Group I to meet from 8 to 9 a.m. and Group II from 9 to 10 a.m. The hour not in lecture was to be spent in "study hall" and working on the problem sets.

Later, modifications in the remedial support program required changes in class scheduling, but ISU refused to compromise about the small class size.

PROGRAM IMPACTS

NUMBERS AND QUALITY

At the end of the 1992-95 (three-year) period, 132 public sector economists and university faculty had been successfully retrained under the USAID/MIPPE/ISU program. In addition, 15-20 who did not complete the program received partial retraining.

Equally noteworthy was the extensive institutional participation under this program. Some 44 different public sector institutions throughout Panama benefited from direct participation. This number represents 80 percent of **all** Panamanian public sector institutions.

The training program was intensive and rigorous and encouraged students to reach for the high standards of the training. The students were not accustomed to the rapid pace, high expectations and heavy demands made of them in the form of problem sets, homework assignments and examinations.

An extensive program of performance testing was undertaken by each ISU professor. ISU/Panama staff also conducted a comprehensive monitoring program of instructors, staff support and participant satisfaction. All instructors received anonymous evaluations by the students at least two times during each class. ISU staff also held frequent one-on-one confidential meetings with each participant. These individual meetings were typically held at five-week intervals. They were important in anticipating any potential problems in the workplace, the participant's personal situation or with ISU instruction. These meetings and the close personal relationship the ISU staff gained through the computer and statistics support programs were instrumental in alerting USAID and CEPRHUSEP to problem areas. All testing and monitoring results were provided to USAID.

> THE WHOLE PROGRAM WAS A GREAT EXPERIENCE. I WAS ABLE TO LEARN SO MANY NEW CONCEPTS AND SKILLS AND SEE THEIR IMMEDIATE APPLICATION IN THE WORK PLACE. I GAINED A WHOLE DIFFERENT ECONOMIC VIEW WHICH GOES FAR BEYOND HOW I USED TO SEE THE WORLD.

Secundino Chang, FIRST-YEAR STUDENT, HEAD OF DEPARTMENT OF SMALL BUSINESS, MINISTRY OF INDUSTRY AND COMMERCE

The quality of the program and its impact on the participants were consistently documented through the instructor and participant evaluations. Withont exception, participant evaluations of the classes and the ISU course instructors fell in the "very good" to "excellent" range. ISU instructor evaluations of participant achievements indicated tremendous professional advancement during each and every course.

> I NOW HAVE A REAL CHANCE FOR A CONTRIBUTION TO PANAMA AS AN ECONOMICS PROFESSIONAL (SINCE BEING CHOSEN AS AN ADVISOR TO THE PANAMANIAN GOVERNMENT COMMISSION TO GATT).
>
> *Julio Aizprua*, THIRD-YEAR STUDENT, PART-TIME ECONOMIC ADVISOR FOR THE PANAMANIAN CHAMBER OF CONSTRUCTION

ON-THE-JOB IMPACTS

The on-the-job impacts of higher education programs that provide formal training tend to be viewed as longterm in nature. This is partly because the measurement of impacts typically pits rates of changes in salary and position of "participating" versus "non-participating" employees. And, job promotions and salary changes tend to move in a slow, if persistent, manner.

By contrast, the impacts of the USAID/MIPPE/ISU retraining program started more immediately. This has been possible because of the high numbers of participants who were already well-established in their jobs. The nature of the training and their position in the workplace allowed them to incorporate changes quickly. Excerpts of case studies presented throughout this report document some examples of the rapid impact achieved by this program.

The case study interviews were not randomly selected, nor were they selected because of changes in salary. Salary levels and changes were unknown prior to the interviews. The results would likely hold closely for the entire group of participants.

Not all of those completing the program had received salary increases at the time of the case-study interviews. Of the 10 nonfaculty participants who provided salary information, the average salary increase since the time of entering the program was 49.1 percent. The group consisted of five who completed the program two years previously, three completing a year previously, and two who had just finished the program. The average time out of the program for the 10 was 1.3 years.

The 49 percent average salary increase was measured in U.S. dollars (the official currency of Panama) during a period of low inflation. This also occurred during a period of time when the government was decreasing the number of employees.

Of the 18 interviewed for case studies, all but two reported promotions or important increases in their workplace responsibilities. In nearly all cases the training program played a significant positive role in these improvements.

To document impacts in a more scientific manner (and provide a baseline for future studies), ISU conducted a survey of second-year participants right after they had completed the program. Some 83 percent of the participants completed this survey. Even though fresh out of the program, 25 percent had already been assigned new job responsibilities. All but one indicated the program to have been helpful in obtaining the new position.

All respondents were asked to describe their most important professional report or assignment since entering the training program. About 80 percent responded that their training had been an important factor in improving the quality of those reports or activities.

The other important impact of the program was at the University of Panama (UP). One motivation for the third-year program extension was to direct the economics training to one impor-

tant point of origin of the problem: economics faculty training deficiencies. Program graduates who work at the university are making an impact through their improved teaching materials, in curriculum reforms to incorporate more rigorous course materials and in the guidance of student thesis projects. These impacts were also reflected in the case-study interviews.

TRAINING THE DIFFICULT-TO-REACH PROFESSIONALS

There is one aspect of the retraining approach developed in Panama that merits separate attention: its proven ability to reach deserving professionals who are often hard to reach.

For decades, international agencies have recognized the importance of economic development programs that are able to reach women. Extending benefits to lower income groups has also been a frequent goal of development assistance. However, designing successful programs to accomplish these objectives has proven to be a formidable task.

The USAID/MIPPE/ISU retraining model was able to benefit women and professionals from lower income backgrounds who would often be excluded from conventional overseas training programs.

Economics has been a profession where women are underrepresented. However, women constituted fully one-half of the participants in the program. It is important to emphasize that no special effort was made to favor women in the recruitment or selection process. They were selected into the program and completed the program on their own merits.

As seen in the case studies, a significant number of participants were single heads of household. Others were principal wage earners within an extended family living arrangement. The family and child care responsibilities of many participants would have made it very difficult to accept scholarship opportunities to study abroad.

The deficiencies in their previous education and length of time since completing university study would have made it exceedingly difficult for the participants to be accepted into quality U.S. university graduate programs. And, it is hard to imagine how the typical participant would have been able to attain the TOEFL (Test of English as a Foreign Language) scores needed to be admitted to U.S. universities without extensive and expensive language training.

> I WAS CONTINUALLY PUT IN A POSITION OF HAVING TO DISCUSS ECONOMIC CONCEPTS THAT I DIDN'T REALLY UNDERSTAND. THOSE AND MANY NEW CONCEPTS ARE NOW CLEAR (AFTER THE PROGRAM). AS EDUCATORS WE NEED TO DO SOMETHING IN PANAMA NOW ABOUT ECONOMIC ILLITERACY.

ZOILA CASTILLO, THIRD-YEAR STUDENT, TECHNOLOGICAL UNIVERSITY OF PANAMA ENGINEERING PROFESSOR

LIMITATIONS OF THE USAID/PANAMA MODEL APPROACH

In-country training by U.S. universities is not a perfect substitute for conventional out-of-country training programs that bring professionals to the U.S. to study. Experiencing the differences and diversity of the U.S. culture was not possible for the ISU/Panama students. Actually being a part of all that happens at a U.S. university was missing for the Panamanians.

Only a modest selection of courses was provided through this program. More specialized needs would have decreased the population from which to select and could have increased program costs.

Iowa State provided **undergraduate** courses to professionals who had already completed an economics undergraduate degree. At times graduate training is more imperative than undergraduate. Providing graduate training may require greater flexibility and present greater difficulty to U.S. universities.

Finally, the Panama model used an open applications process and based selection heavily on previous academic performance. This is appropriate to achieve a broad institutional impact. This approach would probably be less acceptable in-country when a single ministry or more narrow population is involved in retraining.

KEY SUCCESS ELEMENTS—LESSONS LEARNED IN PANAMA

COST-SAVINGS FEATURES

Sending students to U.S. universities is an expensive proposition. That expense has accelerated in recent years with the escalating costs of U.S. university education. More stringent English language requirements add significant costs to the preparation of potential students for study in the U.S. The language requirements also make it more difficult to include students of nonelite backgrounds.

Bringing U.S. universities to the international students, rather than the international students to the U.S. universities, can provide significant cost savings. These savings include the language and other pre-admission remedial expenses required whether in-country or in the U.S. The savings also include the transportation and living expenses of the students and possible savings in a broad diversity of university fees, from health care to activity fees.

The U.S. appears to have entered an era of diminished public support for international development assistance. Financial resources have been dramatically reduced. If the important influences of U.S. universities are to be maintained or expanded internationally, new lower cost approaches to higher education training need to be found. The program's approach provides a cost-effective way for continued U.S. involvement through one form of international training.

IMPORTANCE OF ACADEMIC CREDIT

One significant advantage of university-provided training programs, that other international training suppliers cannot provide, is the ability to grant academic credit. However, even for ISU, it would have been much simpler to have offered courses without granting academic credit. When academic credit is involved, a different set of factors and controls moves into place. Faculty members and departments are correctly jealous and vigilant of the quality of academic offerings within

> IOWA FORCED US TO DOMINATE THE MATERIAL — A U.S. UNIVERSITY COURSE GRADE WAS AT STAKE! SHORT COURSES AND WORKSHOPS NOW SEEM SO SUPERFICIAL. THE IMPACT JUST ISN'T THE SAME.

Leila Small, FIRST-YEAR STUDENT, MINISTRY OF EDUCATION PLANNER

their domain. Academic credit implies institutional expectations about the level of rigor and content of a course that must be respected.

The academic credit "innovation" was vital in distinguishing this retraining from other "competing" short courses or workshops. It is clear that the participants would not have had the same motivation and dedication had the program been nonacademic in nature. As reflected in the case studies, the level of effort would have been greatly diminished if it had not been for the fact that a "university grade" was involved.

The academic nature of the program provided other important benefits. This made it possible to adhere to the open applications process with selection based on academic criteria. Even a minister's favorite pick could be rejected by ISU, if the academic record was poor. The selection process was so vital to the program's success that it is discussed in more detail in the next section.

Finally, the academic credit feature is important to USAID's need for program quality assurances. USAID could rest assured that the quality of the course content would have to be the same as provided in Ames, Iowa for the same course.

ISU was able to provide the courses in Spanish by tapping the institutioual loyalty of some of our outstanding graduates. The ISU faculty had confidence that these former students knew and could replicate the content of the on-campus courses. Standard textbooks used at ISU and translated into Spanish through the USAID/RTAG program were used for the courses. The in-country Chief-of-Party and on-campus Program Coordinator were both senior economists who could assure the support needed to instrnctors and who could attest to the expected quality criteria.

SELECTION PROCESS AND OPEN APPLICATIONS

The best designed academic program will flounder if it does not start with capable and highly motivated students. The use of open applications and a selection process based on academic performance cannot be overemphasized for the role they played in the success of the Panama model.

Panama is a country where political contacts and friendships dominate opportunities for professional employment. Open application for training is contrary to how things are done. Numerous instances were found where training offices, workplace supervisors and others would not support applications because those applying were not the "chosen" representatives. It took the skills of USAID and MIPPE to try and open those doors to the participants.

The open applications process was assisted by three elements:

1. Broad dissemination of information in the Panamanian press about the program and criteria for selection.
2. The clear indication that this was an academic program with the assignment of university credit and grades. In that sense, ISU had veto power in admissions. Institutions could not dictate who would be selected for the program. The major role of ISU in the selection process also helped assuage fears that selection might in some way be politically motivated. Significant benefits are

derived in the areas of motivation and appreciation among the participants who would not typically be given such an opportunity. Their attitudes can have a positive influence within the group.

3. Crucial advance preparation by USAID and MIPPE involving a series of meetings with high level officials to explain the program and gain support for release time for those participants who were selected.

Achieving a more open process may require special efforts from USAID and the counterpart institution. USAID and MIPPE were able to secure high rates of approval from the diverse institutions. But the case studies also reveal how difficult that battle often was for the participants and how close many came to resigning their jobs in order to participate.

THE IMPORTANCE OF WOMEN PARTICIPANTS TO THE PROGRAM

The ability of the Panama training program to reach women, single heads of household and other difficult-to-reach professionals has been cited as a successful feature of the Panama project. What has not yet been mentioned is the positive impact the contributions of this group of students had on the quality and success of the program.

Women consistently dominated the top grades in the courses. They were active in organizing the social events so important in unifying the group and facilitating the mutual support that developed. It was the women in the group who provided much of the inspiration and leadership in encouraging those who were struggling to "stay the course."

As a gronp, those who had been given less opportunity in the past were determined to take maximum advantage of this opportunity. In doing so, they set the academic standard and provided much of the leadership that distinguished this program from others.

> MY STUDY GROUP (IN THE SPECIAL TOPICS SECTION) WORKED ON THE LABOR CODE — A REALLY HOT TOPIC IN PANAMA AND I KNEW HARDLY ANYTHING ABOUT IT PRIOR TO THE CLASS.

Leila Small, first-year student, Ministry of Education planner

THE INCLUSION OF THEORY AND SPECIAL TOPICS CLASSES

The importance of theory It is common to question the importance of theory courses–especially in retraining programs. The bias seems to be in favor of more practical "hands on" and "tools-driven" courses. Theory tends to be viewed as too impractical and abstract to be of much use "on the job."

It is doubtful that very many participants applied for the program because of the microeconomics or macroeconomics theory courses. Rather, this was where they were required to "pay their dues" to get to the courses they really wanted–econometrics and Special Topics.

That the designers of the program would require two of the four courses taught by ISU to be economic theory does indeed speak to their innovativeness, if not audacity. It also reflects the insight that the project designers had of the professional needs facing many economists in Panama.

Time and again, participants interviewed for the case studies mentioned the theory courses as the best liked and most important courses. The participants provide an important reminder to designers of retraining programs: the need to provide exposure to current theoretical concepts as well as provide specialized "practical" topics.

Professional confidence requires that one be comfortable with the theory of one's discipline. This was not the case in Panama. Most had completed short courses and been exposed to various

quick and dirty "tools" workshops, but they were not firmly grounded in their understanding of economics theory. Once they were confident enough with their grasp of economic theory, they were ready to acquire analytical skills in the econometrics course and to tackle everyday problems in the Special Topics course. Without that initial regrounding, the impact of the latter two courses would have been significantly diminished.

At the same time, it is important that the theory be linked to the real world. The case studies revealed surprise that theory could be so "practical" rather than dry and irrelevant as had been expected. This was accomplished by using a combination of problem sets emphasizing real world situations and by use of computer applications in the theory classes. There was much left undone in Panama in providing adequate exposure to economics theory, but the academic nature of the program provided critically needed reinforcement to build their confidence and illustrate practical applications of economic theory.

> I NEEDED A STRONGER THEORETICAL BASIS AND EXPOSURE TO MORE ADVANCED ECONOMIC ANALYSIS. I WAS OVERLOOKING KEY ELEMENTS IN MY ECONOMIC ANALYSIS.

EDUARDO QUIROS, THIRD-YEAR STUDENT, HEAD OF THE NATIONAL BANKING COMMISSION'S ECONOMIC ANALYSIS DEPARTMENT

The importance of the Special Topics class The Special Topics class was a particularly creative course. It merits special attention for its role in the training program's success. This course was developed specifically for Panama by ISU. It provides a prototype of a final "wrap-up" course to accomplish multiple training objectives.

Special Topics had five distinct elements:

1. Formal academic lectures and exams covering an important applied area. These lectures by a senior ISU professor emphasized critical economic development topics that had not been covered in the other classes.
2. Development of a special project report by participants working in small groups. For This involved a diverse set of in-depth research proposals to address crucial economic problems.
3. Public defense of the group report. Selected economists from throughout Panama City were invited to participate in a three-day seminar. Each group gave a public exposition and defense of their team's effort.
4. Internationally renowned economists provided intensive short courses on recently emerging economics issues. These were one-week (10 hours) formal classes with exams. The Ministry of Economics and Planning provided input into the selection of topics.
5. All Special Topics instructors presented a public conference on their area of expertise. This permitted sharing of a valuable resource with a broader professional public.

A primary motivation for participants was the desire to become knowledgeable about new trends in economics. Special Topics was the "prize" to enjoy once the theory and analytical components had been completed.

Including this course helped instructors stay on-task. When discussion strayed too far from topics at hand, participants were reminded they had a special course at the end to address those issues, but first they needed to master the basics.

Group cooperation was invaluable to the learning process. Public sector economists often need to function as members of broader teams. Considerable conflict arose in some groups and ISU staff helped provide ways to defuse tensions.

The public defense of group reports emphasized the seriousness of this program. It placed pressure on participants to demonstrate, in public, what the ISU training had accomplished. Participants had to have sufficient confidence to expose their imperfections and receive suggestions and criticisms to strengthen their efforts.

The public conferences by internationally renowned economists had multifaceted impacts. They provided timely expert support to MIPPE interests. The press coverage and stature of the conferences were outstanding morale boosters for the participants. It was very apparent that the special efforts by USAID and MIPPE lent prestige to the training program. Finally, the level of the presentations reminded participants that, while they had good reason to be proud of their training, they also needed to be aware of how much was yet to be learned.

> THERE IS STILL A LOT OF INTEREST (IN ISU/ PANAMA FORMER STUDENTS ASSOCIATION), BUT IT'S HARD TO FIND THE TIME TO MEET. STILL, WE WANT TO CONTINUE TO SHARE EXPERIENCES AND WORK TO PROVIDE ECONOMIC LEADERSHIP TO PANAMA.

Hermel Quintana, SECOND-YEAR STUDENT, PANAMA NATIONAL TELEPHONE COMPANY, HEAD OF FINANCIAL ASSISTANCE

STRONG IDENTIFICATION WITH A U.S. UNIVERSITY

Iowa State University would be hard pressed to find a prouder, more loyal group of former students. The fact that only a handful had ever travelled to the U.S. (and none to Iowa) did not matter. ISU was **their** university and they were proud of it. One manifestation was a voracious appetite for ISU sweatshirts, caps, bumper stickers and other memorabilia. Adopting the ISU "Cyclone Cy" mascot, participants referred to themselves as "Ciclones" #1, #2 or #3, depending on the year they entered the program.

The close U.S. university identification gave a special character to the program. ISU/Panama staff published a monthly newsletter that included "home campus" information. When cheating problems arose they were reminded of what ISU expected of its students and they immediately responded.

The students have formed an active "Former ISU Students of Panama Association" (ASEIPA) which is among the largest such groups in the world. They are determined to continue professional and social activities that will reflect well on them and their university.

THE ADVANTAGES OF A LARGE CRITICAL MASS

The Panama retraining program was innovative in the level of critical mass it accumulated. Internationally sponsored training programs involving U.S. universities typically provide experiences at numerous institutions in diverse areas of the country. Various disciplines and areas of specialization are nsually supported. That diversity has important advantages in familiarizing others with the variety of backgrounds and experiences that make up the U.S. The USAID/MIPPE/ISU program had a very different orientation. By virtue of being in-country, its concentration of a critical mass also provided important advantages. These benefits warrant consideration in designing future training programs.

GROUP LEADER SELECTION

Through democratic elections, each group selected leaders to represent their interests and concerns. ISU staff worked with these leaders to identify areas of friction and concern. And, the leaders took seriously the need to be supportive of others in the group as they encountered difficulty with the program. A distinctive characteristic of this program was a strong group consensus that, "We are all in it to the end."

FAMILY AND WORKPLACE SUPPORT ACTIVITIES

Special activities were developed to strengthen family and workplace support. ISU included families in various events and even had special meetings for spouses to exchange experiences (and complaints). Special effort was made to help husbands and wives appreciate the rigors and importance of the program and to feel pride in their sponses' accomplishments.

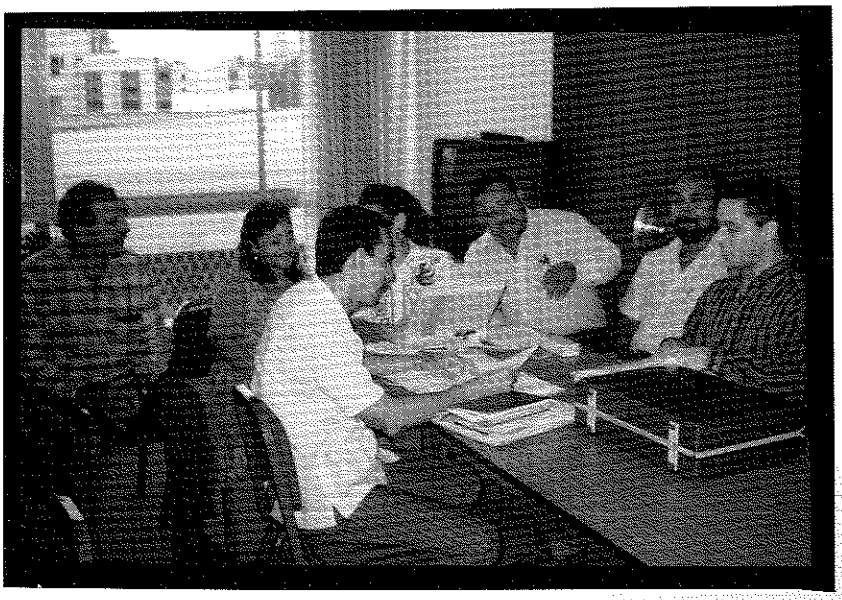
At times there was need to meet with supervisors in the workplace to re-explain the program and re-seek support. ISU published a monthly newsletter with wide distribution to publicize accomplishments, personal information and profiles, and ISU/Iowa "propaganda." This was sent to families, job supervisors, training offices of the participating institutions, and other officials. A quarterly progress report (prepared by ISU and distributed with cover letter from MIPPE) was also sent to supervisors and high level officials of each participating institution. USAID and MIPPE were indispensable in their contacts and support provided in meetings with public sector agencies.

STAFF ATTITUDES AND ABILITIES

In project design, one can define objective steps, criteria and guidelines to increase the probability for a successful retraining program, up to a point. But, in the end, interpersonal skills and personalities of project staff assume critical importance.

ISU was fortunate in being able to count on staff who were exceptionally motivated and who could understand the needs of participants, ISU and USAID. Rapport with participants was excellent. Instructors were willing to go to great lengths to provide individual attention and inspire greater effort. Discouragement often arose among participants because of low grades and an undue focus on importance of grade points. The ISU instructors and staff were quick to point out that, regardless of grades, they were **far** ahead of their peers who were not in the course.

USAID and MIPPE project officers took the extra time and effort needed to meet with students, listen to their stories and provide encouragement. From beginning to end, they were ready to meet with government officials and supervisors to assure needed support of the participants.



GROUP COOPERATION WAS INVALUABLE TO THE LEARNING PROCESS.