



**THE RELATIONSHIP BETWEEN SKILLS DEVELOPMENT,
EDUCATION AND LABOUR POLICIES WITHIN A WIDER
CROSS-SECTOR CONTEXT :**

EVIDENCE FROM NICARAGUA

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ACRONYMS

CARE	Cooperative for Assistance and Relief Everywhere
CIASES	Social Education Research and Action Centre
CNE	National Education Council
COSEP	High Council for Private Enterprise
CNU	National Council of Universities
ENAH	National Hotel Management School
IC	International Cooperation
IFIs	International Financial Institutions
INATEC	National Technological Institute
INIDE	National Institute of Information for Development
MDG	Millennium Development Goals
MHCP	Ministry of Finance and Public Credit
MIFIC	Ministry of Development, Industry and Commerce
MINED	Ministry of Education
MITRAB	Ministry of Labour
PROMYPIME	Development Program of Micro, Small and Medium Nicaraguan Enterprises
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization

Introduction

A major challenge of the Nicaraguan educational system remains to provide the country's young people with the appropriate skills necessary for their economic inclusion. The country has experienced many difficulties in responding to this challenge. On the one hand, although effective skills development policies are an important vehicle for both economic growth and poverty alleviation, and are increasingly recognized as such by most national actors, the professional and technical training education sector is still an overlooked area in which scarce public resources are invested. On the other hand, there are several factors that prevent national actors and international donors from working together to address skills development in an articulated way, particularly for the coherent integration of all programs and activities into a common work plan under a strategic framework of Education for Employment.

In this paper we discuss these challenges based on the analysis of the interactions between international and national actors relevant to skills development in Nicaragua, in regards to professional and technical training programs mainly concerning post-primary education.

The proposed conclusions emerge from the case study titled "*Skills Development and Labour Competencies Policies in Nicaragua 1991-2006*"¹, commissioned by the Social Education Research and Action Centre (CIASER, acronym in Spanish) by the Graduate Institute of International and Development Studies, Geneva.

The paper consists of four sections. The first analyses the interactions between the various education sub-sectors. There follows a description of the relationship among policies in skills development and the labour sector, as they have developed in the context of international cooperation strategy. The third section contains a study of the inter-sectoral implications of these interactions. Finally, some conclusions are provided regarding the alignment of the policies examined with the principles contained in the Paris Declaration on Aid Effectiveness (2005).

Emphasis is purposefully placed on the tensions and mismatches among these interactions and relationships, with the aim of drawing attention to factors that hamper harmonization and alignment in the provision of international cooperation in the field of skills development.

1. INTERACTIONS AMONG NATIONAL EDUCATION ACTORS IN THE CONTEXT OF SKILLS DEVELOPMENT POLICIES

Skills development is a task that a variety of actors and sectors grapple with in Nicaragua, as efforts to promote skills development take place at institutional or formal levels, such as the public education system, as well as in non-institutional or informal settings, such as a company or the family.

The analysis offered in this section refers solely to how they are implemented in the formal education sector, which is presumed to be the most organised and on which the most information is extant. Furthermore, it is where the government's ideas and actions are engendered and are subsequently translated into national policy. The formal education sector

¹ Castillo, M. et. al (2007) *Skills Development and Labour Competencies Policies in Nicaragua (1991-2006): The Role of National and International Actors*, Managua, Nicaragua (available in English and in Spanish at <http://www.norrag.org/wg/country-studies.php>).

is also the main recipient of international cooperation (IC) for skills development. References are also made to the participation of the business sector in these efforts as it is represented in the formal education system's coordination mechanisms.

Nicaraguan education system institutions involved in skills development are as follows: the Ministry of Education (MINED); the National Technological Institute (INATEC); and public and private universities that receive public funding and are attached to the National Council of Universities (CNU). The Ministry of Education (MECD until late 2006) works on skills development mainly through its secondary-school education programs, although in some cases also through its accelerated primary education or adult education programs in the rural sector. For its part, INATEC by definition bears the main responsibility for organising and heading skills development throughout professional and technical training programs. Some universities that are members of the CNU offer advanced skills development in several modalities, as part of their educational supply diversification strategy.

Each of these institutions operates independently, and there are no degrees of hierarchy among them. Indeed, they do not belong to a common system, at least not organically. At the formal level the three aforementioned institutions coincide only, with similar degrees of authority, at the National Education Council (CNE), which according to the General Education Law consists of the Minister of Education, the Director of INATEC and the President of the CNU. The INATEC Steering Committee, which by law is chaired by the Minister of Labour, has for additional members the INATEC Director and the Minister of Education or a representative. The aim of these mechanisms is for the institutions to harmonize their policies, strategies and visions.

Likewise, the national plans formulated in the country during the nineties and up until the first half of the current decade, such as the 2001-2015 National Education Plan, established that these institutions should work in a coordinated fashion, for the purpose of uniting efforts and jointly contributing to the central aim, which is to insert Nicaragua into a globalised world in economic, political social and cultural terms.

Despite the existence of these coordination mechanisms and what is set forth in the national plans concerning the three institutions, in practice they interact in a setting of serious tension, subject to multiple and related factors which, taken together, make up a picture of considerable complexity which is challenging to analyse. Among said tensions, the following stand out:

1.1. The subordination of the education policy to macroeconomic policies that exert a direct influence upon the functioning of the economy and the main decisions taken by the government regarding social matters

Starting in 1990, Nicaragua underwent a radical change in its political, economic and social system, marked among other things by a structural economic reform that reduced both the size and functions of government. As part of these reforms, many state companies and public services were privatised, restrictions upon imports were lifted, and the financial system was liberalised. The structural adjustment was a measure agreed upon with international financial institutions (IFIs) – specifically the International Monetary Fund and the World Bank, which facilitated the procurement of external resources needed to bring into equilibrium the main macroeconomic indicators, in particular the rate of exchange and consumer prices. This

decision was understandable in light of the hyperinflation and economic stagnation afflicting the country, a result of years of civil war. The situation therefore was so dire that the government was willing to accept practically any condition, in order to deal with the crisis. However, keeping the macroeconomic adjustments in place has been the main objective of government policy for many years now. This has meant that social policy in particular, including public investment in education, has been placed on the back burner. For the year 2007, Nicaragua invested only 4% of GDP on education.

The most revealing case of the dependency of education policy on macroeconomic policy is the so-called School Autonomy policy, initially applied as a pilot project in 1991 and massively implemented since the year 1993 in the primary and secondary school systems. Its explicit purpose was to obtain direct support from families for the education of their children through their participation in academic and administrative decision-making on school-related matters, as well as a voluntary financial contribution to the economic upkeep of the schools. The policy coincided with the notion of a decentralised state that shares responsibility for public services with families. However, in a context of generalised poverty, it had the opposite effect from what had been expected. In practice, poor families could not shoulder the cost of educating their children, which the government had in effect partially transferred to them via school autonomy.

During the period that School Autonomy was in place, the net schooling rate in primary education dropped from 78% to 72% between 1992 and 1994, remaining at that level until 1998. Thus, it can be inferred that this policy may have had an impact in reducing access to basic schooling. Although more studies are required to determine to what extent the School Autonomy directly affected access, what is certainly true is that the decline in primary schooling had the collateral effect of reducing opportunities for access to skills development both at secondary school and tertiary education levels, as it is only possible to enter these levels upon completing basic education. Also, there is sufficient consensus that this policy was quite unpopular and controversial due to the role of fees. As it has been recognized, “*On the positive side, fees were used to improve the salaries of teachers and the physical conditions of schools at a time when public finances did not allow for increases in educational expenditures. On the negative side, parents often complained that the bad economic situation made fees a large burden to the family budget.*”² Indeed, it was due to the growing critics of Nicaraguan civil society organizations and particularly of students’ parents that the Government decided to modify this policy by progressively reducing the voluntarily contributions leading up to their total elimination during the current Administration.

In brief, at the most immediate level the tensions between the sub-sectors arise from the hierarchy among policies, with macroeconomic policy being regarded as far more important than social policies, specifically in regards to decision-making processes that involve the financing of the education sector. In Nicaragua the structural adjustment has had positive macroeconomic effects, but was applied under such intense external pressure that it eroded the government’s capacity to ensure good performance regarding education. By insisting upon cuts in social spending, the structural adjustment program, which was intended to be a factor leading to economic and social development, in practice aggravated the lack of educational equity and reduced the potential of education in general, and skills development in particular, as a means of social mobility and economic inclusion.

² Arcia G. & Belli H., (1999). *Rebuilding the Social Contract: School Autonomy in Nicaragua*. Washington DC: The World Bank. Latin America and the Caribbean Regional Office. Human Development Department LCSHD Paper Series No. 40.

1.2. The heterogeneous nature of the education sub-sectors that respond to different logical premises and thus function as unarticulated estates that compete for the recognition of their social importance

By virtue of the General Education Law and the policies derived thereof, basic education is the only level of mandatory responsibility. It therefore enjoys higher priority among education policies and receives greater national budget allocations. At the same time, and due to the University Autonomy Law, the government has an obligation to pay an annual fixed rate of 6% of public income to the universities that are members of the CNU, on the premise that access to higher education is a right held by youth coming from low-income families, and that citizens with a university education are essential to the country's economic development. These two sub-sectors – primary school and higher education – are, in practice, preferentially targeted by public policy, which assigns them priority functions in society.

By contrast, policy toward skills development is formulated based on a labour market logic, and as a consequence is subject to the state of the economy at any given point in time. This can be noted in the fact that INATEC receives only 2% of the total sum of gross or fixed salaries from workers at legally constituted enterprises. The education offered by INATEC is geared toward satisfying the specific needs identified in an agreement with the private sector, mainly large and medium companies that maintain the institution through this contribution. In a deficit-ridden economy characterised by high unemployment, this factor translates into a permanent financial constraint that reduces the opportunities for wide sectors of Nicaraguan youth to gain the benefits of skills development policies while limiting the growth of the professional and technical training education sub-sector.

To summarize, a second level of tensions emerges between educational sub-sectors from the struggle to reach the highest level of importance possible within society as a whole. professional and technical training education is, in fact, the most neglected sub-sector, receiving the least amount of government and social support. Further, it lacks an identity of its own as it is systemically disassociated from primary, secondary and higher education. Thus it is perceived as lacking importance or usefulness in terms of national development. Unlike primary and higher education, it appears that INATEC's educational supply is considered basically to be a commodity or consumer item, to be bantered about based on labour market criteria, rather than perceived as a social right that warrants government support.

1.3. Ongoing competition to capture the highest possible share of scarce public funding available for education, and ensure the inclusion of its particular needs among education policy priorities

As mentioned earlier, the importance assigned by the government to each education sub-sector has implications in terms of the funding it receives. Given that the various sub-sectors are considered to be at differentiated levels of social importance, it is understandable that their interactions take place within the logic of competition for resources. This, however, tends to weaken the possibilities for complementarities and synergies .

As far as universities are concerned, the competition for the allocation of public resources is open and evident. Six percent (6%) of the national budget goes to this sub-sector, as a result

of a struggle spanning several decades by universities that asserted the political importance of their sector. In other cases, such as the relationship between INATEC and MINED, it is more of a matter of daily competitive actions taken by both parties that bear testament to the low degree of inter-institutional coordination and scarce interest shown by each sector for supporting the needs of the other. Underlying this situation is INATEC's struggle for preserving its autonomy and MINED's efforts to absorb the former institution organically.

Again, it is noteworthy that even at this level of tensions, INATEC is the losing institution in terms of financing, mainly because its most important source of income is not a fixed government budget item line. It is possible that the general view prevalent in Nicaragua has a role to play in this, namely that skills development is expensive and that therefore, since it is the business community which will benefit most from its existence, it should finance this sub-sector through a form of direct tax. It is recognized, however, that the 2% that companies contribute to INATEC is not enough to satisfy the growing demand for skills development, and thus the institution fails to ensure quality and ample professional and technical training programs.

2. RELATIONSHIPS AMONG SKILLS DEVELOPMENT, EDUCATION AND LABOUR POLICIES IN INTERNATIONAL COOPERATION STRATEGIES

INATEC is conceived of more as an entity designed to support the country's labour policy than its education policy. Indeed, as an autonomous government entity it is attached to the Ministry of Labour (MITRAB), although it also coordinates with the Ministry of Education through the aforementioned Steering Committee. Likewise, INATEC is organised so as to function in close coordination with the business sector, which is represented on its Steering Committee by a member of the High Council for Private Enterprise (COSEP). It is expected that INATEC must finance teacher training and improve the equipment used at the technical schools with contributions from the international donor community.

Much as is the case among the education sub-sectors, the interactions between INATEC, MITRAB and COSEP take place in a context of tensions, interwoven in multiple dimensions and processes of an economic, political and social nature. In the case of the educational sub-sectors, the tensions described above have in common the competition for resources and for priority in public policy, as well as social recognition. Among this group of actors, however, the tensions derive from mismatches between the dynamics of the companies involved, the labour market, and the skills development programs – both those financed by companies as well as by international cooperation. Among these the following stand out:

2.1. Poor timing between skills development, the supply and demand for skilled labour, and their translation into the generation of jobs requiring said skills

INATEC offers two education modalities: training and skills development as such. Training takes place through short courses intended to improve or expand the competencies of active or inactive workers, mainly those already employed at contributing companies. Skills development, for its part, prepares students for a professional activity in a specific field at the technical, basic and medium secondary school levels. The actual demand, however, of the business sector that contributes to INATEC significantly favours training, to the detriment of skills development. The companies demand Education for Employment that is expedited,

cheap and specific, from which it can be inferred that the labour market produces jobs that require few skills. Indeed, companies in Nicaragua do not generate sufficient jobs to quickly absorb the qualified labour supply that INATEC provides through its medium-term courses.

The outcome of this imbalance is that skills development is discouraged, which could be exerting a determinant influence on the low level of development in the sub-sector as a whole. Likewise, it serves to further bolster the tendency in education policy to treat skills development more as a commodity, governed by market dynamics – in which more is offered than can be sold – instead of as a right of young people to increase their possibilities of inserting themselves into the workforce with potential social mobility. Likewise, this failure to coordinate could be furthering a practice among companies that appears to be very widespread and that distorts the labour market, namely that of hiring university graduates for positions that could be occupied by mid-level technicians, in light of the excess supply of professionals with a general education coming out of the public and private university systems.

2.2. The business sector benefits most from INATEC programs, but is not the sector most needy of qualified technicians

According to INATEC's institutional mission, its *raison d'être* is to satisfy the demands for training at the companies that finance the institution, as well as the social demand for skills development. Currently INATEC offers training programs in three productive areas: agriculture/livestock and forestry; industry and construction; and commerce and services. The highest demand by far, both in terms of training as well as in terms of technical secondary school degrees, is for programs in the commerce and services sector (68% of total enrolment), followed by industry and construction (19%) and agriculture/livestock and forestry (13%)³.

The distribution of INATEC enrolment, however, bears no relation to the economic development policies announced by the various administrations over the recent period. According to those policies, agricultural production should be favoured in order to increase the country's export capacity. If so, training in skills for small agribusiness companies should be the most extensive. This is not the case as INATEC enrolment data reveals. In addition, by 2007 only 12 out of 33 centres had programs related to the agricultural and forest sector; none of them offered specialized training in coffee production, which remains the country's most important export product.

Furthermore, the distribution of INATEC enrolment displays a gap between the institution's capacity to satisfy both the medium and large enterprise sector, which contributes financially to its existence, and the small enterprises or cooperatives sector, which represent the majority of agribusinesses and have no capacity to contribute financially, to say nothing of "non-productive" groups, such as unemployed youth. INATEC's budgetary constraints lead to a situation in which training and skills development is offered to sectors that, in relative terms, need it less, while those sectors with the greatest educational need are excluded from the right to professional training programs due to the lack of government subsidies. Indeed, it is estimated that approximately 50% of the population between 13 and 17 years of age, as calculated in the 2005 Population and Housing Census, are deprived of the opportunity to access secondary education or skills development.

³ INATEC "Statistical Bulletin" 2007, Managua, Nicaragua.

2.3. Actors in the donor community are multiple and diverse, represent varying interests and have differentiated levels of influence upon the design and implementation of INATEC programs and Education for Employment policies

Unlike the other education sub-sectors, academic development at INATEC, and more specifically resources for teaching and teacher training, depend almost exclusively on international cooperation. As a matter of fact, the support of Germany has been very important for the institutional development of INATEC. Spain has contributed through training programs for employment, including programs for people with disabilities. It has also contributed along with South Korea to better equip schools. Luxembourg has supported the Tourism and Hotel sector. Those are only some examples of the diverse support received by INATEC. India, Japan, Mexico, Norway, Holland, Switzerland, among others, have also offered significant forms of collaboration.

It is, therefore, the sub-sector that requires the highest level of coordination and complementarity among supporting donors. Donor alignment, however, is difficult to achieve due to their wide heterogeneity. International donor organizations are a diverse group (governmental / non-governmental), with different work modalities (projects / sector-wide programs), as well as fund amounts and time periods, the focus areas (institutional development / educational materials / teacher training / innovation), levels of intervention (local / national), and approach (holistic / specialised).

By way of example, a review of the areas of intervention of the most important international agencies financing Education for Employment in 2008 revealed that only three out of seventeen seemed to coincide at a common program, namely the development of the National Hotel Management School. The remaining fourteen agencies intervened by means of similar components, in particular in the areas of infrastructure, equipment and technical assistance, but did so from different rationales and divergent purposes, as their project titles indicate. Coordination is rare. This phenomenon is further illustrated through an analysis of the differences in objectives among international programs sponsored by international cooperation: one intervention intended to expand skills development at the local level had been formulated by UNICEF with a view towards contributing to the eradication of child labour, by CARE for the purpose of increasing productivity among micro-enterprises, and by UNIDO with the aim of supporting the employment generation. The difference in goals did not appear to have influenced the design of the intervention, but rather the evaluation criteria. In all cases, the expected results were formulated based on differing expectations by each donor agency.

In addition, despite the increasing resources and efforts committed by international donors to enlarge and improve professional technical training, and some important achievements, there are certain mismatches in the design of development cooperation to skills development that affect its effectiveness, and particularly its relevance to poverty reduction. They involve issues of access, equity and quality. Among of the most relevant are the following:

- Cooperation to increase professional technical training is focused on certain geographical areas. Intervention programs are more likely in urban areas in the north of the country, such as Nueva Segovia, Madriz, Estelí and Matagalpa while less common in rural areas, the Caribbean Coast and the Southern departments, such as Rio San Juan. Indeed, the

majority of INATEC centres are located in urban communities. This trend accentuates the disadvantages that rural poor and ethnic groups face due to limited access to education.

- Opportunities for professional technical training are more extensive and diverse in areas suitable for men, such as construction, than in areas more suited for women, despite the fact that poverty is unevenly distributed among Nicaraguan men and women. As a general trend, women are more affected by unemployment, earn lower wages, and have more family responsibilities. Nevertheless, women tend to benefit less from skills development. By 2006, for example, 85 per cent of the total women enrolled in INATEC centres attended short-term training programs and only 15 per cent were registered in technical careers. In addition, few international programs highlight the gender aspect of skills development. Further, almost no program provides specific support to overcome constraints that may prevent women's access to training such as child-care services during the training activities.
- Skills training opportunities for youth who have not succeeded academically –those who have dropped out from basic education or failed, for example – are scant, despite the fact that this represents a large group of people in great need of economic inclusion. As a general trend, it is difficult to find programs especially designed for those with limited to no formal education. Indeed, most programs require that the trainee be able to read and write; in other cases, entry requirements include a basic education certificate. Likewise, programs give almost no recognition to informal and non-formal learning, although this may play an important role both in skills development and lifelong learning. This is particularly relevant because, as several reports on Nicaraguan education reveals, certificates and diplomas of the formal system do not sufficiently reflect people's real competencies. The recognition of skills and abilities acquired in non-formal settings, as a basis to receive further training, may introduce a more flexible approach to skills development that could benefit many disadvantaged youth. Another important aspect that is also lacking and in this same line is the inclusion of the local knowledge and traditional skills of target groups in these training programs.
- Cooperation assistance tends to be institutionalized, typically offered to people organized in a cooperative, union or civil society organization. However, many socially vulnerable people may not be organized and thus have problems gaining educational assistance for skills development. Low socioeconomic status may be associated with poor social networks, with socially marginalized individuals in need of skills development feeling perhaps powerless in asking assistance from traditional, highly centralized or top-down managed organizations which may in turn result in low motivation. Therefore, it seems that cooperation in skills development require personalized services approaches that pay attention to the needs of those with a sense of disempowerment due to several forms of economic exclusion, such as unemployment.
- Cooperation assistance for skills development in the informal economy is virtually non-existent, despite the fact that 63 percent of the active economic population worked in this sector in 2006 as result of the stagnation of employment in the formal sector. This is certainly a challenging issue, as it is a sector with few avenues to institutional routes due to a lack of their business registration and licensing. Yet, this sector needs training, continues to absorb young people, may represent an alternative for self-employment, and may improve its productivity by upgrading its technical and business skills.

- There is reduced cooperation assistance to skills development for self-employment, although this area remains important mainly for out-of-school youth involved in the informal sector. This area may be particularly relevant in the rural sector along and for the development of small enterprises involved in the provision of credit and market services, as part of poverty reduction programs.
- Post training support is either absent or weak. With a few exceptions, there is a lack of follow up mechanisms of trained students and of their inclusion in the workforce, as well as post training counselling. Only in rare cases the cooperation programs include information services regarding available employment opportunities or networking opportunities. This is an issue in which education and labour policies are often non-aligned.

Along the same lines, the alignment and complementarity of international cooperation for skills development is made more difficult due to the mismatch between its importance and magnitude, and INATEC's institutional capacity to: negotiate terms by formulating proposals, integrating these into sectoral plans, carry out timely evaluations, and derive lessons learned from the projects and programs implemented, with the aim of using these in the design of public policies. INATEC has yet to reach such a level of institutional capacity. At the same time, donors have not paid sufficient attention to this area of intervention, although the need is evident both in regards to design processes and aid implementation.

Participation by the Ministry of Foreign Relations (MINREX) in the management of international cooperation at INATEC could be considered a compensatory mechanism for its low institutional development. The mechanism is effective in that it identifies sources and aligns projects to priorities in national plans. This, however, is not sufficient to harmonize donors within the sub-sector, or for INATEC to develop, in its interactions with international cooperation agencies, a capacity for strategic planning, evaluation and institutional learning that would be subsequently reflected in its policy design.

3. CROSS-SECTORAL IMPLICATIONS

The tensions and imbalances described above in some measure explain the state of skills development promoted by the formal education system, which is characterised by its lack of coordination, low quality, and limited capacity to contribute to the social mobility of young people and the nation's economic development. Skills development is an enormous void and a highly complex challenge for Nicaraguan social policy. Its implications can be observed both within the education sub-sectors and in the economic and social spheres.

Among the education sub-sectors, competition for resources from the government and donor community and the rivalry to achieve some degree of priority among national education policy prevails over rationality and complementarity. The education sub-sectors spend time and energy fighting for recognition of their specific social importance as they seek to position themselves in the best possible slot in the hierarchy of government priorities, based on which development policy is put forward. For their part, the actors that formulate and implement social policy compete based on the supremacy allotted to macroeconomic policy as a result of the structural adjustment programs that condition access to loans from IFIs operating in the country.

In a social context of generalised poverty and exiguous economic growth, made even more acute by the global financial crisis and extreme dependence upon external production factors – such as the frequent fluctuations in world oil prices and agricultural products – these tensions and mismatches serve only to consolidate the vicious cycle of economic underdevelopment and educational underdevelopment. In this social and economic scheme it would seem impossible to modify the agro-export development model upon which the economy rests, and the lack of social equity upon which said model is based.

In regards to the labour market, the implications of this chain of contradictions and systemic disarticulations translate into an increase in unemployment; a decrease in the importance of unions and their capacity to participate in public policy-making; and the growth of the informal sector, which has become the prime resource for economic sustenance among the poorest segments of the population. Another implication, ever more significant, is the phenomenon of emigration, as the economy lacks the capacity to create decent jobs that effectively may lead to social mobility, mainly among young working-age youth. According to the 2005 Population and Housing Census, approximately 10% of the population lives outside Nicaragua. The most recent INIDE⁴ projections shows that Nicaragua has a negative migratory balance, with higher emigration than immigration trends for both the 1995-2000 and 2001-2005 five-year periods.

It is obvious that even though most emigrants are male, the number of women who have left the country has also grown over the past few decades. Emigration has implications such as the increase in remittances that emigrants send to the families they leave behind. It is estimated these stand at over US\$ 800 million per year, almost 20% of GDP⁵. Baumeister also points out that among the Nicaraguan population that emigrates to the United States, one of the main destinations, some 75% had completed secondary education or university, while for those emigrating to Costa Rica that number dropped to 38%. The emigration of persons educated by the national educational system in practice represents a loss in public investment in education which, though slightly compensated for by the remittances, nonetheless inevitably weakens perspectives for national economic development, not to mention the unhappiness it causes and social consequences such as the break-up of families.

4. ARE DONOR STRATEGIES FOR SKILLS DEVELOPMENT IN LINE WITH THE PARIS DECLARATION?

One of the particularities of international cooperation in skills development is that different spheres of policy tend to overlap – education, labour, economic development, rural development– and each in turn is influenced by a broad and heterogeneous variety of actors. In Nicaragua the interactions between policies and actors at these various levels take place amidst tensions and mismatches. It is only exceptionally that linkages of harmony and alignment are established, objectives formulated by donors and aid recipients in the Paris Declaration on Aid Effectiveness.

Notwithstanding, it is worth highlighting that recent administrations have analysed the situation and undertaken efforts to achieve harmonization and alignment as regards to the

⁴ INIDE, National Institute of Information for Development, “Population Projections 2005-2050, Managua, Nicaragua.

⁵ Baumeister, Eduardo. (2006). Migración internacional y desarrollo en Nicaragua. Serie Población y Desarrollo, No. 67, Latin American Center for Demography (CELADE).

allocation of resources, at least for the primary education sector, in large measure under the impetus of international policies intended to favour Education for All and the Millennium development Goals (MDG) proposed by the World Bank and the United Nations, respectively. Thus the bulk of external resources made available to the Ministry of Education have played a critical role in expanding access to primary education and increasing its quality.

Encouraging examples of such efforts are the establishment of sectoral working groups, which functioned from the year 2003 until very recently. Among these was the education working group and its different thematic sub-groups, made up of actors representing civil society, the public sector and the donor community. These groups created spaces for dialogue and consensus, which, although effective proved incapable of overcoming the tensions and mismatches described in this paper. A paradigmatic case is the skills development Group, which, for lack of continuity, had only scarce influence upon inter-sectoral coordination and was hindered from taking full advantage of the opportunity for engaging in dialogue.

Likewise, during the years 2004 and 2005, the Ministry of Education became a recipient under the budget support mechanism as a means of fostering coordination among the activities carried out by the various projects. In return, it committed itself to comply with a number of indicators set forth in the education policies to be implemented. The World Bank and the European Union joined the initiative, and in recent years have provided resources to the Ministry of Finance and Public Credit (MHCP), that are in turn channelled to the Ministry of Education.

It is also worth noting the few examples – indeed exceptions in regards to this analysis – of successful experiences in inter-sectoral coordination that display the potential for influencing Education for Employment policy design. One of these is the Don Bosco Youth Centre, in which the labour supply, generated by the training and skills development courses is aligned with the demand for labour. This was made possible based on the initiative of a number of private companies that guarantee a workplace for graduates from the aforementioned centre's courses. This experience has been systematised by the Ministry of Labour and became the foundation for the design of a National Labour Supply and Demand Observatory, which is expected to be extended throughout INATEC study centres in the future.

Another successful experience is that of the National Hotel Management School (ENAH), which began operations in late 2006 as an INATEC specialised centre. The ENAH emerged as a response to a demand put forth by the government to companies and private sector chambers linked to the tourism sector. Its development involves the private sector, the government and the donor community – Luxembourg in particular, which contributes 80% of the financing needed, along with the government of Nicaragua that provides the remaining 20% in counterpart funds. The ENAH, which was initiated and supported by previous governments, has proven a stable project, and continues apace under the current government. It has gained in prestige, with student applications increasing on a daily basis – to the point that it has been necessary to establish a tighter admissions policy.

PROMYPIME, the Development Program of Micro, Small and Medium Nicaraguan Enterprises under the aegis of the Ministry of Development, Industry and Commerce (MIFIC), started up more recently (2007) and is still in a formative stage. However, it too can be listed among promising experiences. The program had its origins in participating in local level coordination through the provincial working groups, based on the skills development and training needs put forth by small and medium enterprises, both private and public. As a

result of dialogue at local forums, PROMYPIME has reached consensus on the profiles for the professional education required in the sector, such as planning and oversight of production, packaging and canning technologies, use of industrial waste, recycling and recovery, and quality control among others.

Although these are all positive experiences, harmonization and alignment in the field of development cooperation continues to be a challenge in Nicaragua. Added to the factors mentioned earlier, it is necessary to mention new elements of conflict that have emerged of late. Among most national actors there is consensus that the participation of the donor community is very important in order to encourage appropriate development policies. However, international organizations working in the field now find themselves in a period of tension with the current government, as a result of disagreement on the latter's political performance, specifically in regards to governance and the functioning of democratic mechanisms.

It therefore becomes of paramount importance to embark upon a deep reflection on the nature of these disagreements in light of the Paris Declaration, a detailed description and analysis of which is beyond the scope of this paper. However, by way of conclusion, it is at least worth posing a number of questions intended to encourage such reflection, as the answers thereunto may well be relevant to an analysis of international aid to Nicaragua in the field of education.

For development aid to be effective, it is assumed that it must be adjusted to the national plans and priorities of the partner countries. However, how can the contradictions that may emerge between the vision of development held by the donor community, and the plans and priorities set by the government be overcome?

As mentioned earlier, in the case of structural adjustment in Nicaragua, an effort was made to implement a policy whereby the cost of education was transferred to the families. This appears to have been a failure in light of the reduced rates of access to primary education among the poorest, with as a consequences failed opportunity to expand and improve the skills development. It is worthwhile, then, to ask the following: What lies at the root of this failure of the school autonomy model? Was it perhaps a failure by international agencies to emphasise the need for education for the poorest sufficiently? Did the various administrations fail because they accepted the model and its conditionalities without displaying enough negotiating capacity? Or did both sides fail, thus illustrating the limitations of the desired alignment and harmonization?

To conclude, a reflection seems necessary on whether the evaluation methodology proposed in the Paris Declaration is effective in terms of the purposes set forth, considering the complexities of the processes and relations established between actors and policies in skills development, as described in this paper. The methodology proposed in the Paris Declaration is based on numerical indicators, with emphasis placed on the measurement of activities or whether the events foreseen, such as the existence of plans or strategies, are being complied with in a certain percentage of countries or processes. Implicit in this methodology is the assumption that the mere existence of these processes, and not necessarily their quality, is sufficient. However, such a methodology does not take into account the complexity of the processes that affect or benefit the efficiency of development aid, and thus hampers an understanding of said processes. In this regard, if the complexity of the relationship between educational policy and labour policy is recognized, the recommendation put forth by researcher María de Ibarrola is pertinent in regards to producing the knowledge needed to

properly understand the relationship between education and employment. Ibarrola proposes the following:

“For research on education to contribute effectively to the desired policies, three aspects are crucial:

- The research undertaken must insist on qualitative methodologies and the exploration of our reality; it must prioritise the understanding of complex and historical processes and interactions, or detect syntheses in which these are expressed.
- The research undertaken must be research in the fullest sense of the word, meaning fieldwork from which theoretical explanations emerge.

The research must be shared among an interdisciplinary and Latin American group of researchers that by working together are able to build a framework of theoretical unity for different specific investigations, delimiting the spatial and temporal scales to the understanding of which each contributes. It is important that this group be able to consistently compare the specific results uncovered and thus build a body of knowledge valid for the entire region”⁶.

⁶ Ibarrola de, María (1988). Formación escolar para el trabajo In *Revista Latinoamericana de Estudios Educativos*, Vol. XVIII, No. 2, México, pp. 9-63.