

**CLOSING THE GAP IN EDUCATION, TECHNOLOGY AND PRODUCTIVITY  
IN EL SALVADOR**

**REPORT BASED ON THE CONCLUSIONS AND RECOMMENDATIONS FROM THE  
CONFERENCE “CLOSING THE GAP IN EDUCATION, TECHNOLOGY AND  
PRODUCTIVITY IN EL SALVADOR”  
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## ***1. Introduction***

The World Bank Group is providing technical assistance to the Government of El Salvador, the country's private sector and civil society to help strengthen corporate social responsibility (CSR) practice, as a component of El Salvador's strategy to compete in the global economy. Following the World Bank's first mission in September 2002<sup>1</sup>, it was agreed with the Ministry of Education that follow-up technical assistance would be provided to the Ministry itself, FUNDAEDUCA and FIDES. By the end of 2002, also in agreement with the Ministry and FUNDEMAS, it was decided that the assistance would include supporting the organisation of a national conference around the theme of closing the gap in education, technology and productivity. This event would provide the opportunity to discuss the document "Closing the gap in education and technology"<sup>2</sup> in the Salvadorian context. According to this document *"what countries, and in particular companies, need is to learn how to learn. The key factor of success of some countries was the early realisation of the need for an explicit policy, sustained and efficient to take the private sector into cutting edge technology and, secondly the focus on accumulating human capital"*.

### ***1.1 The conference "Closing the gap in education, technology and productivity"***

FUNDEMAS and the Centro Alfa were responsible for the organisation of the event, the sponsors included the Ministry of Education (MINED), FIDES, the World Bank, INSAFORP, FEPADE, FUSADES and ANEP.

The objectives of the conference were:

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<sup>1</sup> Reyes et. al., *Education-focused Corporate Social Responsibility in El Salvador: World Bank Technical Assistance Study* (October 2002)

<sup>2</sup> De Ferranti et al., *Closing the gap in education and technology*, World Bank (2003)

<sup>3</sup> Reyes et. al., *Education-focused Corporate Social Responsibility in El Salvador: World Bank Technical Assistance Study* (October 2002)

<sup>4</sup> De Ferranti et al., *Closing the gap in education and technology*, World Bank (2003)

- To promote the discussion at a national level on the linkages between education, technology and productivity and to enhance the efforts provided, both by the government and the private sector, aiming at an equitable development of the nation and its competitiveness in the global economy
- To stimulate the co-operation between public and private sector, using the existing efforts undertaken at a national level in the area of corporate social responsibility in the education sector as a reference .

With over 250 participants that included individuals from academia, government, businesses, NGOs, and the World Bank (see Annex 2 for full list of participants) the objectives were met. Based on presentations, discussions, questions and comments from the delegates it emerged that:

- There is a common understanding among the participants that the challenges El Salvador is facing in education are great and that they need to be addressed collectively by the Salvadorian society
- Both public and private sector admit that public policy, investment in education and R&D, productivity and competitiveness are closely linked
- The Ministry of Education acknowledges private sector's positive contribution and favours a strengthening of such co-operation
- The private sector has demonstrated its commitment and experience in supporting the education system.
- The private sector realises that its support should be in line with a more comprehensive national strategy
- There is common understanding that to better co-ordinate efforts it is essential to define roles and responsibilities and translate them in concrete and complementary activities
- The allocation of roles and responsibilities should be based on core complementary competencies
- A systemic approach is crucial to leave behind ad-hoc and punctual involvement

- Education and human capital policies are always long term<sup>5</sup> therefore any support has to be sustained and sustainable.

Primary Objectives	
Ministry of Education	Improve coverage and quality of education
Business sector	Greater quality of human capital

### ***1.2 This report***

This report is neither the conference proceedings nor a list of arguments to explain the relationship between education and productivity nor it makes the case for public private partnerships. It does not pretend either to identify the education priorities in El Salvador. We understand there are enough reports and research (some of them referred to in this report) to address these points. We also believe that in order to answer some of these questions a different type of event with a higher degree of discussion and focus would have been necessary.

This report is taking into account the initial objective of the conference, which was to attain some initial agreement in ways to reach a national education plan. Based on research material available, presentations and questions from delegates, this document wants to, by referring to the topics raised during the event, serve as a basis for future discussions that might pave the way to a national strategy in the education sector. A strategy that could define roles, responsibilities and actions with the contribution from the Salvadorian society.

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<sup>5</sup> Reyes et al. *Education-focused Corporate Social Responsibility in El Salvador: World Bank Technical*

## 2. Education and CSR

### 2.1 Characteristics and CSR roles

As was highlighted during the conference, there is a *rich tradition* of involvement of the corporate sector in education and *not so much for a moral obligation but for pure self-interest* (Ldo Murray). According to a report commissioned by FUNDEMAS<sup>7</sup>, the private sector in El Salvador has traditionally favoured areas of support that are closer to its needs, namely the development of labour force with a greater emphasis in secondary education and technology. In effect, Salvadorian companies face often in the technological arena an acute lack of technical information, professional and technical personnel, skilled labour, difficulties to contact research centers and lack of financing<sup>8</sup>.

#### Box 1

Potential CSR contributions to education<sup>6</sup>:

- towards curriculum design and pedagogical practices, focused on the skills and attitudes that will be needed for El Salvador to compete, and
- help improve delivery of educational services.

However in practice most CSR activity has been directed to teachers and students support in schools and particularly in infrastructure (specially after the earthquakes of recent years). Another characteristic is that companies tend to provide assistance in areas that are close to their businesses or factories and where needs seem most urgent and impact most immediate. Therefore CSR activities are relatively dispersed. The type of assistance is financial or in kind and it rarely taps into corporate sector's unique competencies such as project management, convening power, marketing, etc. However it would appear that

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*Assistance Study* (October 2002)

<sup>6</sup> Nigel Twose, World Bank, *Presentation "Marco conceptual y experiencia internacional"*, (2003)

<sup>7</sup> FUNDEMAS, *la RSE en Educación en El Salvador*, (2003)

<sup>8</sup> Roberto Rivera Campos, FUSADES, *Presentation El desafío de cerrar la brecha ...*, (2003)

there is a tendency to move into this kind of less traditional support as the case of FUNDAEDUCA<sup>10</sup> demonstrates.

It was also voiced during the conference that the corporate sector feels a lack of guidance from the Ministry of Education regarding national priorities preventing their resources to be allocated where they would most benefit the country as a whole. In other words, it was noted that the impact of the businesses' contributions will be limited as long as there is not a national strategy for education and a common framework that would allow those contributions to be systematised and scaled up.

## ***2.2 Priorities and roles for the education sector***

As highlighted in the Minister of Education's presentation, El Salvador has made considerable progress in the past years, for example: the EDUCO programme, the creation of school directives in which teachers, and parents of students participate or the significant expansion in pre-primary and primary education<sup>11</sup>, 40,000 children in primary education between 2000 y 2003<sup>12</sup>.

However it was also highlighted that challenges are still aplenty and urgent. The presenters gave some examples: El Salvador invests less money per student than any other country in the region<sup>13</sup>; only 5.1% of households have computers<sup>14</sup>; the areas that are critical for the education system are: funding, support to teachers, infrastructure, modalities of provision and professional capacity building<sup>15</sup>; closing the gap in enrolment in secondary education; the third cycle in basic education is weak<sup>16</sup>.

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<sup>10</sup> Adolfo Salume, FUNDAEDUCA, *Presentation: Fomentando la calidad de la Educación*, (2003)

<sup>11</sup> Reyes et al. *Education-focused Corporate Social Responsibility in El Salvador: World Bank Technical Assistance Study* (2002)

<sup>12</sup> Ministro Rolando Marín, Ministerio Educación, *Presentation: Desafíos educativos, tecnología y productividad*, (2003)

<sup>13</sup> Jeffrey Puryear, PREAL, *Presentation: Cerrando la brecha en educación...*, (2003)

<sup>14</sup> Roberto Rivera Campos, FUSADES, *Presentation: El desafío de cerrar la brecha ...*, (2003)

<sup>15</sup> William Maloney, World Bank, *Pres.: La evidencia internacional y el caso de El Salvador*, (2003)

<sup>16</sup> Ministro Rolando Marín, *Ibid.*

The proposed priority areas according to the Ministry of Education, as described in “*Desafíos de la Educación en el Nuevo Milenio: Reforma Educativa en Marcha (2000-2005)*”<sup>17</sup>, include the following:

- Improve quality of education services through strengthening the performance of teachers and school directors, the introduction of educational technologies and transfer of financial resources to educational centers to satisfy needs in the classroom.
- Strengthen the participation of the educational community through School Directive Councils (*CDE*), Communal Associations for Education (*ACE*) and the Catholic Councils for Education (*CECE*); and the rest of the local actors to improve quality and ensure equity in education.
- Increase access to education by introducing new modalities of service: Initial Education, Accelerated Education, Distance Education and compensatory programmes.
- Strengthen the teaching of values, creation of cultural spaces and personal development, support to an integral cultural policy that will reinforce the national identity and promote the participation of the family unit in value learning<sup>18</sup>.

These priorities are in line with the conclusions of the report ‘Closing the gap between education and technology’<sup>19</sup>. Let us remind some of these conclusions:

- *To invest and heavily subsidise research and development does not lead to greater productivity growth in closed economies (where there are no competitive pressures to be innovative) ) nor in those countries where the majority of the labour force has low education levels*
- *The countries that increased their levels of average education but did not apply consistently enabling policies for technological transfer also experience low growth in productivity*

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<sup>17</sup> MINED, *Desafíos de la Educación en el Nuevo Milenio*, (2000)

<sup>18</sup> De Ferranti et al., *Closing the gap in education and technology*, World Bank (2003)

- *The countries that increase the education levels and investment in research and development but which are principally provided by the public sector (education, training and R&D) also seem to have poor results in terms of productivity increase. These countries face the difficult challenge of increasing the private sector's participation in the development of new technologies, education and training.*

In addition, the conference's presenters<sup>20</sup> corroborated some of these priorities and gave some recommendations as well:

- Increase the number of places in secondary schools (in rural areas also) which means increasing the offer of third cycle in primary school places which is currently poor. Public investment should augment according to a programme that identifies social investment needs with a long term view and coverage targets. This should come together with transfer of skills to school directors and sub-directors to improve their general management performance
- As long as incentives and return on education does not increase, direct and indirect costs will remain too onerous for the majority of Salvadorian families which explains the low levels of demand for secondary school. It was recommended that a scholarship programme for graduates would create an incentive for students to remain at school until older. The possibility of offering some kind of direct monetary subsidy to the families in most precarious conditions should be considered.
- The quality of education has to improve importantly as demonstrated by the poor results in tests carried out by the Ministry of Education. One recommendation, teacher oriented, implied setting up the legal framework that will establish a salary incentive system for teachers related to performance plus a comprehensive development programme including training, support and performance requirements.

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<sup>20</sup> All presentations are available on [www.fundemas.org](http://www.fundemas.org)

An example of the latter is for instance a test called *Evaluación de Competencias Académicas y Pedagógicas* (ECAP). Another idea was to take part in international tests that compare national education systems' performance, as this could be an incentive to improve standards in education attainment. Another important albeit different avenue is to overcome the shortcomings of formal education by promoting non formal education programmes that will facilitate autonomous learning and make them better adapted to the skills most required at the workplace.

- With a meagre 0.01% of El Salvador's GDP invested in R&D (1998), a national education plan should envisage creating a fund to finance research projects and technology absorption and promote linkages between universities and businesses. Extra effort should also go into offering more programmes of technological education and allow greater flexibility in superior education's curricula to better adapt to technological progress and the requirements of the productive sector. More access to computer and telecom services given to teachers both for personal and professional use would equally be beneficial.

Therefore the public sector's role is also one of creating the right environment, *favouring openness to trade and foreign direct investment, enabling sound financial and flexible labour markets to be created, and applying efficient policies of economic competitiveness. Secondly, to ensure that potential demand for education services becomes effective demand through comprehensive student loans schemes, educational grants, scholarships and subsidies for students without means. Lastly, to offset the fact that the benefits associated with the creation of knowledge are extremely difficult for their creators to conceal from their competitors, the Government has to support the process of knowledge creation and dissemination through policies and mechanisms such as patents, intellectual property rights, tax incentives, or setting up scientific, technical and specialised education institutions*<sup>22</sup>.

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<sup>22</sup> De Ferranti et al., *Closing the gap in education and technology*, World Bank (2003)

Throughout the event, another important role for the Ministry of Education was emerging: the promotion of this same type of discussion but at a national level, reaching the necessary consensus to define priorities, actions and contributions from the different sectors and in particular from the private sector. In a possible role as a facilitator and partnership promoter <sup>24</sup>, the Ministry would be in a position to strengthen the current engagement with the private sector and in turn increase the resources allocated to the sector and their impact.

Tentatively, we present in Box 2 some of the concrete areas where public and private sector could potentially work together bearing in mind the criteria already expressed: national priorities, specific interests from businesses and businesses' resources and core competencies.

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<sup>24</sup> World Bank, *CSR Diagnostic: User Guide for Web*, (2002)

## Box 2

Potential areas for collaboration between the Ministry of Education and the private sector<sup>25</sup>:

- greater links between those graduates and the labour market.
- specific performance indicators.
- about policies and incentives uses.
- needed by the private sector).
- school directors and company managers.
- requirements.
- 
- 
- business community

### ***3. Closing the gap: towards a national partnership for education, technology and productivity?***

The conference also highlighted the fact that there is neither an institutional framework nor a strategic plan that could direct companies' contributions. In cases, this leads to an ineffective allocation of scarce resources due to lack of direction and co-ordination with the Ministry of Education. A national strategic plan could help to better channel these other sectors' resources into the education system, optimising their use, maximising their impact and not exacerbating the disparities between school centers in an already polarised system. With the support from other organisations, including the World Bank, the Ministry of Education could promote, lead and organise this process whereby different sectors of Salvadorian society would commit their resources to a common strategy. At present there are no institutional mechanisms that systematically co-ordinate the CSR

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19 B. Levinger et al., *Marco de Referencia del Ministerio de Educación del Plan de Acción Nacional sobre Responsabilidad Social Empresarial*, EDC (2003)

effort with government's actions let alone a well defined national plan to close the gap in education and technology supported by Salvadorian society as a whole.

During the conference, several presenters already started to talk about a 'national partnership' (Minister Rolando Marín), or national initiative that would *represent civil society, non-partisan, headed by respected leaders from every sector and supported by highly qualified experts*<sup>26</sup>. Although it will be up to the parties involved to define its precise remit, a fundamental role for this partnership would be to provide a forum and a space to discuss and design a national plan to close the gap in education, technology and productivity with support from all. The presentation from FEPADE<sup>27</sup> describes some of its spirit and characteristics:

- *Not only has a national plan to place the national interest above any particular or private interest, it must also be conceived and implemented with the inputs from the productive sector and from the most capable sectors of society*
- *This means ruling out ideological dogmas and building a new consensus on the role and responsibilities from Government and civil society, expressed in a legal and regulatory framework that will enable co-operation between them.*
- *The plan for education should be coherent with a broader economic and social development plan. The education activities must put the emphasis on teaching traditions, values and attitudes that will promote harmonious social relations in all respects*

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<sup>26</sup> Jeffrey Puryear, PREAL, *Presentation: Cerrando la brecha en educación...*,(2003)

### 3.1 *Opportunities*

As noted, public and private sectors can both play distinctive roles to improve the education system but in order to establish a national plan to close the gap in education, technology and productivity, civil society needs to be equally involved. Similarly, and as repeated during the conference, it is difficult to visualise the establishment of a CSR plan for education outside a comprehensive strategic plan for technology and competitiveness.

Therefore this alliance *raison d'être* would be to:

- establish the criteria that will appraise the relevance of individual or joint actions in education
- define priorities in consensus and reflect them in an agreed national plan
- promote constructive engagement and collective effort among the different parties
- create mechanisms to involve all sectors
- identify complementarities of competencies in the different sectors to add value to individual contributions
- involve every relevant organisation from the start to ensure buy-in and commitment from all parties over time
- create an environment where partners can learn and better understand the challenges and the actions needed
- become an entity that can adapt to changes and face new challenges as they happen
- actively promote participation from main actors in the educational and technological process: students, workers, and businesses *the ones that accumulate and apply knowledge to increase productivity and generate growth*<sup>28</sup>.

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<sup>27</sup> Joaquín Samayoa, FEPADE, *Presentation: Aportes para un plan nacional de educación para la competitividad económica y la armonía social*, (2003)

<sup>28</sup> De Ferranti et al., *Cerrando la brecha en educación y tecnología*, World Bank (2003)

### **Box 3**

#### **Criteria to select partners in a partnership**

- including also NGOs, teachers, students, other ministries, SMES, etc.
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### ***3.2 Threats***

The road towards a national partnership can present some hurdles:

- Changes in government
- Particular or partisan interests
- Attitudes and traditional ways of thinking and working
- Varying levels of commitment depending on political or economical climate
- Reluctance to lose some control over own actions
- Building consensus among sectors takes time and skills
- Lack of resources or capacity

### ***3.3 Next steps***

In order to establish a national partnership, a working group could be initially formed for instance by some of the organisations and individuals that participated in this conference.

Their first tasks could be:

- Initiate the consultative process with relevant organisations to prepare the terms of reference for the partnership, ensuring that all sectors can contribute and are represented
- Identify funding needs and possible sources of funding
- Evaluate the possibility of creating a secretariat to support the partnership including staff and location
- Establish processes and feedback mechanisms that would encourage other sectors' involvement and contributions

Once this process is finalised, if there is agreement between the parties on the terms of reference and next steps, the Ministry of Education could lead to enter into a second phase and formalise the arrangement with the different partners through a Memorandum of Understanding. As an example, these could be the structural components of such a document <sup>29</sup>:

- an action plan with clear deadlines and well defined roles, responsibilities and activities
- resources needed and partners' contributions
- mechanisms to build consensus and a procedure to resolve disputes or grievances
- mechanisms to measure progress and achievements
- mechanisms to communicate with partners and ensure transparency
- support to partners to help them to meet their targets
- mechanisms that provide ongoing learning to partners and in turn makes the partnership more effective.

It is possible that an external facilitator might be needed to move the process forward although this is not a necessary condition. An organisation or individual among the partners might be in a position to play such a role. This decision belongs to the partners and will depend on how the organisation and the individual are perceived. Trust, legitimacy, knowledge, neutrality are some of the key characteristics of a good facilitator.

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<sup>29</sup> for more information on partnerships and CSR refer to 'Putting Partnership to work' Business Partners for Development, [www.bpdweb.org](http://www.bpdweb.org)

#### ***4. Conclusion***

The quality and number of presenters and delegates, the ideas and recommendations put forward and the learning generated have all contributed to the success of this conference. It has also made clear that a CSR strategy in education is to be part of a broader national strategy. Equally a new role for the private sector has been identified. The private sector could allocate some of its resources to assist the Ministry of Education to launch a national partnership initiative that will set the basis for the definition of a national strategy. This strategy would set out the priorities, activities, roles and responsibilities and implementation mechanisms to close the gap in education, technology and productivity. This partnership will necessarily have to remain faithful to Salvadorian society and its interests. During a consultative first phase, an organisation such as FUNDEMAS, through FIDES, could initiate the process of dialogue across the nation. If accepted by all, FIDES could build on the achievements of the past years and this conference's to move this public-private collaboration into a new dimension.

As the majority of the presenters noted, we are talking of a new approach, a “new order” that undoubtedly will call for changes in the way organisations interact and work together. It is common to underestimate the importance of the process in these initiatives and it is often that failures derive not from lack of clear objectives, but from the inability to work collaboratively and efficiently. Closing gaps in communication, trust and understanding will also be part of the task ahead.

But this conference has proven there is already a dynamic collaboration between sectors to tackle the challenge of a better education for more and more productivity and competitiveness for the country. It is for sure a unique opportunity and a good time to keep working on finding ways to further promote successful partnerships between public and private organisations and jointly close the gap in education, technology and productivity in El Salvador.

**“All these issues provoke on us uncertainty and fear, but we need to take them as our challenge, the challenge of all Salvadorians and use them as our benchmarks for the future”**

**Ing. Rolando Marín, Minister of Education, El Salvador**

## **Glossary**

ACE	Asociaciones Comunales para la Educación
ANEP	Asociación Nacional de la Empresa Privada
CBI	Centro de Bienestar Infantil
CDE	Consejos Directivos Escolares
CECE	Consejos Educativos Católicos
CSR	Corporate Social Responsibility
EDUCO	Educación con Participación de la Comunidad
FEPADE	Fundación Empresarial para el Desarrollo Educativo
FIDES	Fondo para Iniciativas de Desarrollo Educativo
FIS	Fondo de Inversión Social
FUNDAEDUCA	Fundación Amigos de la Educación
FUNDEMAS	Fundación Empresarial para la Acción Social
FUSADES	Fundación Salvadoreña para el Desarrollo Económico y Social
INSAFORP	Instituto Salvadoreño de Formación Profesional
MINED	Ministerio de Educación de El Salvador

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