

THE EFFECTS OF GLOBALIZATION ON  
THE PANAMANIAN UNIVERSITY SYSTEM: 1990-2007

AN ABSTRACT

SUBMITTED ON THE TENTH OF MARCH 2009

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IN PARTIAL FULFILLMENT OF THE REQUIREMENTS

OF THE GRADUATE SCHOOL

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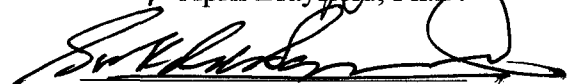
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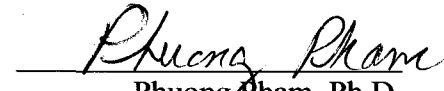
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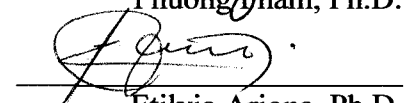
  
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## ABSTRACT

As a global crossroads, Panama has always been subject to the effects of globalization. In recent decades, with technology and market forces advancing with unprecedented speed, these effects have been especially impacting. Higher education is one sector that has changed dramatically. Until the 1980s, there were only two universities in Panama. Now, the Ministry of Education recognizes 36 institutions and the Public Registry lists far more.

This study examines how the process of globalization from 1990 to 2007 has affected the development of the university system in Panama. It explores this evolution from the standpoint of the vision for university education that stakeholders are developing through policies, accords and legislation, as well from the perspective of the business opportunity that university education represents in the local market.

The research is designed as an embedded, single-case study. It incorporates qualitative and quantitative data to present a descriptive review of Panama's recent globalization and economic growth, trends in the globalization of higher education and Panama's involvement in this process, the current structure and composition of the university system in Panama, and implications for the future. Specific methodologies include document and secondary data analyses and semi-structured interviews.

Findings suggest the major strength of the university system is its accessibility; weaknesses include low overall quality, lack of quality assurance mechanisms, and unresponsiveness to market and development needs. The evidence also points to a historical tendency of power concentration that may hinder university

system modernization. Stakeholder perceptions indicate the university system is not well positioned to contribute to the country's competitiveness. The implications threaten to relegate the university system to a position of relative insignificance for Panama's development; they also portend an increased reliance on foreign education and labor for continued growth in the provision of international services—the motor driving the Panamanian economy.

This research provides inputs for national educational policy and establishes a framework for university system analysis, which may serve other countries of the region, as well, that face similar situations with higher education.



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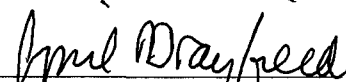
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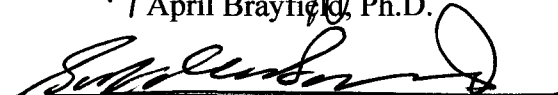
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I tend to overuse the phrase “it takes a village,”<sup>1</sup> but the truth is that to accomplish anything worthwhile, it usually does take a village. So, here is the tribute to my village in the process of this dissertation.

First, a huge thanks to my committee whose guidance has been invaluable: to Phuong, for providing my first academic research experience; to Sam, for spending hours discussing ideas and even coming to Panama to check everything out; to Etty, for securing the grant for this research and leading me into the study of higher education; and to April, for taking me painstakingly through this process, step by step, with a critical eye, an educating tongue, and a kind and valiant heart.

I must also thank the Payson Center for its vision and for providing opportunities for people like me who are living and working “in the field.” Within Payson, a special thanks goes to Sheila Favolora, without whom no one would ever graduate from the program, much less with a doctorate.

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<sup>1</sup> *It Takes a Village: And Other Lessons Children Teach Us* is a book by then-First Lady of the United States Hillary Rodham Clinton (1996). The title is attributed to an African proverb: “It takes a village to raise a child.”



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## **Chapter 1 – Introduction**

Human history becomes more and more a race between education and catastrophe.

--H.G. Wells, *The Outline of History* (1920), as quoted in the World Bank's *Higher Education in Developing Countries: Peril and Promise* (2000)

### **1.1 Statement of the Issue**

The Republic of Panama, like many countries of Central and South America and other regions of the world, has witnessed a dramatic shift in its university sector over the past couple of decades. It has gone from being a predominately public system with a limited offer available to a privileged few to a multi-faceted, public-private mix with a flexible, diversified offer available to many. The forces that have contributed to this shift are a complex combination of factors related to the globalization of higher education and the market in general and those related to the economic, social and political realities of the local environment.

The unprecedented and exponential growth of the higher education offer, particularly of the private universities in Panama over the past decade has raised a number of questions and concerns. There is a general consensus that the quality and relevance of countless programs offered do not correspond to either the type of standards beginning to be established internationally or the demands of the local marketplace (Bernal 2002, IADB 2003, Goethals 2008). In many cases, the curricula, teaching, infrastructure and equipment available are not adequate for training students to be

productive in today's work environment (UNESCO-IESALC 2005, COSPAE 2007). There is even evidence that suggests over three quarters of middle and upper-level corporate management in Panama hold university degrees from institutions outside of the country (Goethals 2008). Moreover, there appears to be an over-supply of programs in certain areas—such as business administration, for example—that already face saturation in the market, and a dearth of programs in other critical areas—such as hard science, for example. And without a systematized means of regulation, the types of degrees awarded and the corresponding program content have not been monitored, which serves to diminish the worth of most local university degrees.

In projecting the future of higher education in Panama and the desire to align it with regional and global norms and the productive, sustainable development of the country, serious challenges exist. Primary among them, and following from the discussions above, are 1) the issues of quality assurance and accreditation for institutions, programs and instructors; 2) the matching of the higher education supply with the demand of both public and private sectors; and 3) the coordination and cooperation of the various stakeholders involved: the government, the educators, the private sector, and the national and international development organizations. The fact that all of these concerns, along with numerous others, must be addressed within the constraints of ever-tightening budgets makes the challenge even more complicated.

## **1.2 The Research Question**

This dissertation examines the question of *how the process of globalization from 1990 onward has affected the development of the university system in Panama*. Specific queries include the following:

1. How many and what types of universities are available?
2. What factors have contributed to shaping the regulatory environment of university education?
3. What factors have contributed to making university education an attractive business proposition?
4. How are the regulatory and business factors reflected in the current university offer?
5. What are the current perceptions of business, government, academic and civil society leaders regarding the strengths, weaknesses, opportunities and threats associated with the university offer?
6. What are the implications of these perceptions for Panama's competitiveness?

Throughout this dissertation, the term “university offer” is used in the market sense to refer to the general product being offered to students, the potential clients, with respect to individual institutions and the system overall. The “university offer” does not examine in depth the program or course offering of the universities. The terms “higher education” and “university” are also used throughout the dissertation, depending upon the context. The research itself, however, focuses only on the institutions listed as universities in Panama's Ministry of Education and/or in the Public Registry that grant undergraduate and graduate degrees; non-university post-secondary higher education programs are not included in the study.

This research studies the evolution of the post-1990 Panamanian university system from the standpoint of the vision for university education that stakeholders are

developing through policies, accords and legislation, as well from the perspective of the business opportunity that university education represents in the local market. The overall objectives of the dissertation are 1) to identify the nature and implications of globalization with regard to the factors influencing the development of university education in Panama; 2) to establish a framework for analysis of the current university system offer, which will serve not only Panama but also potentially other countries of the region; and 3) to provide inputs for higher education policy formulation.

### **1.3 Overview of the Context**

The Republic of Panama was chosen as the site for the research for two reasons. First, as will be developed further in the course of this dissertation, Panama is a highly globalizing economy (A.T. Kearney 2007) with a growing service sector of increasing importance, which implies a need for university-trained personnel. The country shows a proliferation of (mostly private) universities in recent years at the same time as significant inadequacies of the system are being documented (Bernal 2002, IADB 2003, UNESCO-IESALC 2005). Panama's competitiveness has risen steadily in recent years (WEF 2006), but is now at a critical juncture for the future and the capacity of its human capital will determine much of the course of the country's development (UNDP 2002). Therefore, information on globalization and the university system and how it relates to competitiveness is timely and essential.

Secondly, while the extent to which and the speed with which globally stimulated economic growth, service sector prominence, and massification of university education are converging in Panama is exceptional, the general circumstances are not unique. Most of Central America—and much of the entire Latin American region—is in a similar

situation. Thus, a framework and methodology for analyzing how globalization is affecting the development of university systems helps to identify factors that may contribute to creating more competitive university systems, not only for Panama but likely for other countries in the region as well.

The period of 1990-2007 is chosen because 1990 marks the “rebirth” of Panama as a democratic nation governed by elected officials (without the influence of a military dictator) and the beginning of the country’s accelerated globalization and economic growth. Additionally, most of the major international efforts aimed at higher education convergence have occurred within the past decade or two, making the 1990-present time period the most active in terms of the globalization of higher education as well as of the Panamanian economy.

Within the category of globalizing economies in Latin America, Panama offers an interesting example of a country that has sought to maximize its geographic positioning for propelling its global connection in the same way that other dynamic city-states such as Singapore, Hong Kong and Dubai have done. Because of its unique geography and dollarized economy, Panama has always served as a sort of global crossroads; in the past two decades, however, Panama has grown exponentially with much of this growth driven--directly or indirectly--by the international market and the country’s services sector. Mega-projects involving the Panama Canal, the container ports, the railway and the Colon Free Zone have coincided with unprecedented growth in the local airline industry, travel and tourism, and construction to further Panama’s development as a regional and global hub and bring about a boom in Panama unmatched by any other period in the history of the country.



Along with the recent developments related to globalization of the Panamanian economy, the country has become involved in various initiatives aimed at the globalization of higher education.<sup>1</sup> Global and regional trends toward convergence of higher education have produced a series of initiatives on harmonization of programs and standards (Robertson 2006, Beneitone et al 2007) and many of these are beginning to affect Panama's higher education legislative and regulatory environment. But just as the globalization of higher education in the context of global and regional priorities can be linked to convergence trends and harmonization accords, in the context of the marketplace it can be linked to massification and the proliferation of private service providers (Altbach 1999, 2007); the regulation of trade in services (Knight 2002, 2003); the commoditization—or *McDonaldization*—of the university offer (Ritzer 1995, Hayes and Wynyard 2002, Daniel 2002); and the internationalization and trans-nationalization of education services (Altbach 2005, Slaughter and Rhoades 2004).

In the case of Panama, for example, while the country has participated in the various international projects that seek to shape regional and national higher education vision, the local higher education market has taken its own turn. The Panamanian university system has expanded dramatically in recent years in terms of the number of registered universities in operation. Until the early 1980s there were only two universities in Panama; now, official sources (Ministry of Education 2007, University of Panama 2007) list over 30 universities in operation and the national Public Registry shows as

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<sup>1</sup> For the purposes of this study, the globalization of higher education is defined as “the global economic, political and social forces that directly and indirectly affect the development of higher education systems.” This definition is in accordance with Altbach's (2007, pp. 25-26) reference to “the broad economic, technological, and scientific trends that directly affect higher education and are largely inevitable in the contemporary world,” but expands upon it to include a broader range of relevant political and social influences.

many as 90 (Appendix 1). This development brings with it serious questions regarding the oversight, quality and the regulation of the offer in both public and private institutions.

Chapter 2 provides a more detailed description of the Republic of Panama, the local context for this study. It reviews in some depth the economic, political and social elements of the national environment that are most relevant to the research.

#### **1.4 Literature Review**

Chapter 3 of this dissertation presents a review of the literature deemed most pertinent to the investigation. While a wide range of literature has practical application to this study, I concentrate on three general research themes that examine the issues of global forces, higher education and the development of the Panamanian university system: (1) recent global political and economic trends affecting higher education worldwide, (2) analysis of the effects of globalization on higher education systems, and (3) the university system in Panama. The literature review is developed around these topics and follows this structure and sequence.

First, related to global trends affecting higher education worldwide, I review the literature on the principal economic and political tendencies associated with the internationalization of higher education (social tendencies enter here, as well, but are more pronounced and more closely examined in the local context). These works highlight the key factors that are affecting the development of the university education market along with those that are determining the global priorities for university education. Major themes examined with regard to the higher education market include the role of technology; the valuation of knowledge in today's economy; the inclusion of

services along with commodities in World Trade Organization agreements; the internationalization of higher education; the massification of higher education; and quality assurance mechanisms. Major themes of a more political nature associated with global higher education include objectives focused on convergence; the role of Europe's Bologna Process and its related Tuning Project with regard to global higher education convergence; and the issue of convergence and its effect on national systems within Latin America and, more specifically, Central America.

Secondly, I review research that studies the effects of globalization on national higher education systems (Vaira 2004, Douglass 2005, Marginson and Sawir 2005). There is relatively little on specific frameworks for examining the effects of global forces on local higher education systems even though such tools are increasingly needed, especially for developing countries, if these global forces are to be managed positively for national development (Mohamedbhai 2002, Marginson and van der Wende 2007). Nevertheless, I review what has been developed and applied to date to better understand the methodologies in use and their resulting analyses and to show how these have been used as input for the theoretical framework presented for this research.

Finally, on the study of the Panamanian university system, I review what has been published in recent years by national and international researchers. Several independent studies on higher education in Panama in the past decade have pointed to a series of deficiencies in the system and its overall level of capacity. Highlighted inadequacies of the university sector include ambiguous regulatory legislation, lack of evaluation and quality assurance mechanisms, and weak relationships with both government and the productive sector (Bernal 2002, IADB 2003, UNESCO-IESALC 2005). These studies

provide useful input on context and for the design of the micro phase of the investigation, the interviews with local stakeholders in the Panamanian university system.

From this review, it is clear that no systematic research has yet been done to examine the development of the Panamanian university sector in connection with global economic, political and social forces. Indeed, little of this type of research has been done anywhere. This study explores these issues in more depth to capture the story of how global and local forces have coalesced to produce Panama's current university offer and the implications of this for the future competitiveness of the nation.

### **1.5 Conceptual Framework**

In Chapter 4, I present the conceptual framework I use to guide the analysis at the macro level and set the context for the micro level interviews. This framework is based on an examination of the following constructs: 1) "globalization," characterized as the cross-border economic, political and social forces associated with increased connection worldwide that have subsequently driven other global tendencies; 2) the global trends associated with the higher education market and the global higher education priorities that have emerged in the past two decades; 3) Panama's post-1990 economic development and international higher education involvement; 4) the business opportunity and political vision related to university education in Panama; and, finally, 5) a description of the existing university system in Panama, the evolution of which represents a culmination of the abovementioned factors.

Two theoretical models—frame factor theory, as originally presented by Urban Dahllöf and Ulf Lundgren (1970, 1971) and the framework of countervailing local forces to globalization developed by John A. Douglass (2005)—are combined and integrated

into the framework to examine the economic, political and social factors that have been influential in regulating and constraining the development of the university system in Panama.

Frame factor theory was first developed to analyze how the constraints and opportunities of teaching were shaped by the physical and administrative factors to which it was subject, that were in turn tied to more general economic, political and social conditions, or frames (Dahllof, 1970, 1971). Since it served to relate educational process data to larger sociological studies about the impacts of different environments its applicability grew to include research on classrooms, local level school management, national education systems, educational policy, and the creation of national institutes, among other topics.

John A. Douglass (2005) of the Center for Studies in Higher Education (CSHE) at the University of California, Berkeley, has recently presented another theoretical model designed specifically to examine global and local factors' influence on higher education system development. Douglass identifies and describes a series of "countervailing forces" to globalization that act at the local level and serve to explain the complexities of the effects of globalization in national higher education markets. He classifies these factors as the following:

1. Economic Wealth and Political Stability: Advanced, Aspiring, Developing
2. Balance of Existing Institutional Providers and Local Market Demand
3. Nation/State Regulation and Initiatives
4. Cultural Pride, Biases, and Needs Not Served Directly by Global Providers
5. Internal Academic Cultures and Organizational Behavior

## 6. Counter-Intuitive Factors: IT/Internet as a Force for Globalization/Market Control.

In this study, I use frame factor theory to establish the frames, consisting of the political, economic and social parameters at global and local levels within which domestic decision makers operate and which shape the context for the development of the university system in Panama. I then incorporate elements from Douglass's framework to describe the factors within the frames that represent the specific constraints upon the local university system.

### 1.6 Research Methodology

Chapter 5 of this dissertation presents the research methodology. The research is designed as a single-case study (Yin 2002) that incorporates qualitative and quantitative data to present a descriptive review of Panama's recent globalization and economic growth, trends in the globalization of higher education and Panama's involvement in this process, how global and local forces have interacted to influence the current structure and composition of the university system in Panama, and the implications of this for the future. Specific methodologies employed include document and secondary data analysis and semi-structured interviews.

The document analysis embodies a review of documentation and statistics from university sector, governmental, private sector and civil society<sup>2</sup> sources that include (1) legislative and regulatory code, (2) official agreements, treaties and contracts, (3) public

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<sup>2</sup> The term "civil society" takes on a variety of meanings depending upon the source; for this research, I use the Civil Society International's definition of "a 'third sector' distinct from government and business...[made up of] 'intermediary institutions' such as professional associations, religious groups, labor unions, citizen advocacy organizations, that give voice to various sectors of society and enrich public participation in democracies" (Civil Society International 2008), but I further separate the university system from this because of its unique relationship to the topic of study.

registry records, (4) agendas, minutes and reports of meetings and events, (5) memos and other communiqués and 6) newspaper articles, websites and other mass media communication. Secondary data analyzed include statistics for 1990-2007 on demographics; GDP per capita; average salaries relative to degree of education; university enrollment; and the number of universities registered as corporations.

The semi-structured interviews were conducted with representatives from selected universities, government entities, business associations and civil society organizations at the national and regional levels; non-probability, purposive sampling techniques were used. Though it does not produce a sample representative of the larger population, purposive sampling is useful for studying key subsets of a clearly defined and relatively limited group (Singleton and Straits 1999), which has been the case for this study.

I analyze the data from this investigation on four different levels: global, regional (Central America), national (Panama), and individual (with representative leaders from the major stakeholders in the Panamanian university system). The different levels of analysis are combined to present a more complete view of all of the forces at play in the development of the university system in Panama.

The fieldwork for the investigation was carried out within the context of a research project funded by the Panamanian Secretariat for Science, Technology and Innovation (SENACYT) and headed by the Center for the Study of Higher Education (CEDUSMA) in the University of Santa Maria la Antigua (USMA) in Panama City, Republic of Panama.<sup>3</sup>

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<sup>3</sup> See the following websites for more detailed information on the entities involved: SENACYT, <http://www.senacyt.gob.pa/>, and USMA, <http://www.usma.ac.pa.>

## 1.7 Major Findings

Chapters 6, 7 and 8 put forward the major findings associated with this study.

Primary among these is the fact that Panama now has 90 university institutions listed in its Public Registry—36 of these are recognized officially by the Ministry of Education, but all of them are legally registered and established. These institutions display an array of structural characteristics but little in the way of innovative, international standard university education. And given the number of private universities registered and the proportion of these that are classified as potentially profit generating entities (almost all), it appears the legislative and regulatory mechanisms that have most influenced the development of the university sector are those related to business opportunity: flexible corporate law, lenient Ministry operating requirements, and lack of functioning regulation for university evaluation and accreditation.

There is also evidence of legislation that reflects efforts toward globalization and university system convergence, harmonization, and mobility of students and professors—as shown by national involvement with the Tuning Project, the Central American Accreditation Council (CCA), the National Council for University Evaluation and Accreditation (CONEAUPA), and the City of Knowledge—but these efforts appear to have had little effect on the offer now available in Panama’s university education market.

Additionally, the deterioration of the University of Panama and its constitutionally supported, near-absolute supervisory power over the entire university sector have served to both diminish the value of the public university system, to a large extent, and also present a formidable obstacle to the entry of legitimate global higher education institutions with something concrete to contribute to the development of



Panama. The combination of the University of Panama's general decline and its untethered authority contributes to delays in the implementation of convergence and quality assurance measures as well.

These findings imply that Panama is unable to develop and provide the type of higher education system necessary for maintaining the levels of globalization and economic growth witnessed to date, which questions the stability of the country's positioning for global competition. Interview respondents' perceptions also support this conclusion. Specific weaknesses of the current university system reported by interviewees included (in order of import) (1) poor academic quality and meaningless degrees (degrees that do not reflect productive capacity), (2) lack of substantive oversight, (3) poorly equipped professors, (4) lack of coordination with private sector (and national development) needs and (5) lack of research.

Likewise, interviewees perceived business opportunity to be a far more influential for the development of the university system than the higher education vision being developed through the country's various accords and legislative efforts. The factor ranked as the single most important driver of university growth over the past two decades was the business opportunity for the higher education services provider. This was followed by the ease of obtaining official authorization for opening a university in Panama. The influence of global and regional convergence and collaborative efforts was perceived to be of little or no impact on the development of the university sector.

Chapter 6 of the dissertation provides a detailed analysis of the quantity and quality aspects of the existing university system; Chapter 7 provides an in-depth comparison of the business opportunity and the vision associated with university

education in Panama; and Chapter 8 provides a complete discussion of key stakeholders' perceptions of the current university system.

### **1.8 Relevance and Contribution**

The subject of the effect of globalization on Panamanian universities and the development of a corresponding analytic framework toward this end is academically relevant for several reasons. First, at the global level as mentioned earlier, methodological frameworks for examining effects of global forces on local higher education systems are just beginning to be developed (Vaira 2004, Douglass 2005, Marginson and Sawir 2005). Consequently, there is a need to apply and experiment with this type of research in an effort to move toward developing reliable, workable tools and expand the body of knowledge in this area.

Secondly, in terms of the region (Central and South America), little or no empirical research has been done on the globalization of higher education—either in Panama or elsewhere—despite dramatic recent changes in both the market and the structure and norms of higher education. Thus, isolating major trends, the globalization-related factors that influence them, and their effects on the development of university systems adds significantly to the knowledge base on globalization of higher education in the region. And while Panama is neither unique nor completely representative of the other countries in the region, it does typify a growing trend, particularly for Central America. Whereas not a single Central American country had more than a handful of universities two decades ago, the proliferation of (principally private) institutions over the past twenty years has been striking (Table 1). This implies that surrounding countries also stand to benefit from the results of this research.

**Table 1**  
**Number of Public and Private Universities in Central America, 2007**

<b>Country</b>	<b>Public</b>	<b>Private</b>	<b>Total</b>
Belize	1	--	1
Costa Rica	4	55	59
El Salvador	1	25	26
Guatemala	1	10	11
Honduras	2	8	10
Nicaragua	4	37	41
<b>Panama</b>	<b>5</b>	<b>82</b>	<b>87</b>
<b>Total universities</b>	<b>18</b>	<b>217</b>	<b>235</b>

Source: Central American Council for Accreditation of Higher Education, 2007

Finally, for Panama, since no framework has existed for analyzing the university system in terms of globalization trends, it has been difficult to assess the system with regard to either ongoing global and regional convergence activities or current market demand. As the country becomes more involved in regional and international higher education initiatives and there is more external pressure for the national university system to develop in accord with the regional and global standards being established, such an analytical framework is increasingly necessary. Panama has experienced exponential growth in the past couple of decades, making it one of the most globalized economies of Latin America (A.T. Kearney 2007)--and a relatively competitive one as well (WEF 2006). In order for higher education to respond adequately to market demand for professional capacity, a framework for analyzing the university system from the perspective of globalization trends is essential, and this research presents the means to this end. As an added benefit, the study produces an updated inventory of universities registered in Panama, along with a methodology for keeping the listing current. Because of the accelerated expansion of Panama's university system over the past decade and the

multiple operating modalities available, an accurate, comprehensive inventory did not exist before—primarily since no prior systematic effort was made to capture data from all the sources necessary to make the inventory complete.

### **1.9 Overview of the Dissertation**

As indicated above, following the introduction, Chapter 2 provides an extended description of the local context, the Republic of Panama. It concentrates on the country's post-1990 development—and its corresponding economic, political and human development facets—along with an overview of the university system.

Chapter 3 presents the literature review focused on the topics described above deemed most relevant to this research: recent global political and economic trends affecting higher education worldwide, frameworks for analyzing globalization and higher education, and analyses of the university system in Panama.

Chapter 4 introduces and explains the conceptual model that was used as the guide for the macro level analysis and that establishes the context for the micro level analysis from the local interview data. It also presents the theoretical framework for the research, which is based on a combination of inputs from Urban Dahllöf and Ulf Lundgren's (1971) frame factor theory and John Douglass's (2005) theory of countervailing local forces to the globalization of higher education.

Chapter 5 presents the research methodology, a single-case study (Yin 2002) that incorporates document and secondary data analysis and a series of regional and domestic semi-structured interviews.

Chapters 6 is the first of the findings chapters and deals specifically with the issue of quantity versus quality in university education, addressing the recent proliferation of

private institutions, accreditation and quality assurance measures, and legislative and financial concerns.

Chapter 7 analyzes the extent to which both vision, as evidenced by Panama's explicit and implicit higher education legislation and policy statements at national and international levels, and the business opportunity, as evidenced by Panamanian corporate legislation and the range of existing institutional operating modalities and general program offers, are reflected in the current university system.

Chapter 8 reports on the perceptions of the different university sector stakeholders regarding the strengths, weaknesses, opportunities and strengths inherent in Panama's current university system and what this implies for the country's competitiveness and higher education priorities.

Finally, Chapter 9 provides a summary of general conclusions and specific recommendations for higher education policy and future research.

## **Chapter 2 – The Local Context: The Republic of Panama**

This chapter provides an overview of the Republic of Panama, the local context for this research. It describes the country's development, concentrating on the years since 1990 and examines in some detail (1) the economy and its major service drivers, (2) the government and its international politics, and (3) the country's human development progress. This chapter also introduces an outline of Panama's university system, specifically with regard to its history, structure and logistics, legislative and regulatory environment, and selected statistics. These topics help set the stage for the explanation of the study to follow in the coming chapters.

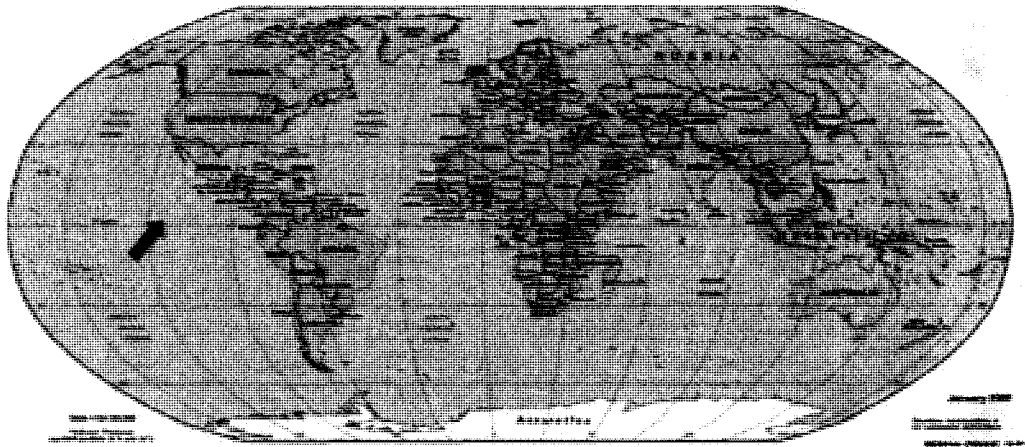
### **2.1 Country Overview**

The Republic of Panama is located at the bottom of Central America, forming a bridge between Central and South America (Figure 1). It shares borders with Costa Rica and Colombia and comprises an area of 75,517 square kilometers of land and 2,490 square kilometers of coast on both the Pacific Ocean and the Caribbean Sea. The country is divided into nine provinces and three indigenous territories, with the entire population numbering roughly 3 million inhabitants. Panama harbors a wealth of biodiversity, including more species of plants and birds than almost anywhere in the world. The official language is Spanish, though English is a common second language and fast becoming a prerequisite for the professional world. The country has always operated on a dollar-based monetary system and maintained close ties with the United States. Since 1990, following the ouster of military dictator Manuel Noriega, it has also benefited from

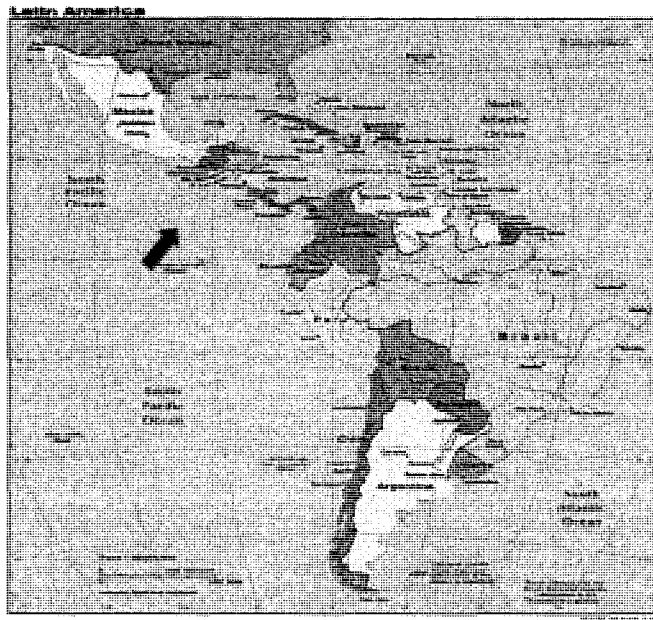
a stable, democratically elected government, no military forces, and highly developed telecommunications.

**Figure 1**  
**Panama - Geographic Positioning**

**Worldwide positioning:**



**Regional positioning:**



Source: World Atlas, 2007

Largely as a result of its geographic location (Figure 1), Panama has a long history as a provider of services oriented toward the international community. After nearly two decades of functioning democracy and eight years of complete ownership of the Canal, Panama is now beginning to leverage this strategic asset and its geographic positioning in an effort to build a modern economy structured around services and, ultimately, to join the ranks of other formidable city-states such as Hong Kong, Singapore and Dubai.

Panama's rapid economic growth (Table 2) and emergence as a hemispheric business hub over the past decade has generated a number of large-scale investments, the most impressive of which is the recently approved expansion of the Panama Canal. In addition, there are sizeable on-going projects in the areas of ports and airlift, gas transportation, public infrastructure, tourism and residential real estate. Some estimates put the value of these projects over the next several years as high as US\$20 billion (Euromoney 2006). This has significant implications for the development of the country, particularly since these projected investments go far beyond the capacity of the local financial sector.



**Table 2**  
**Panama, Selected statistics: 1990-2006**

	1990	2006	Average annual growth (%)
<b>Population (millions)</b>	2.4	3.3	2.3
<b>Labor force (millions)</b>	0.9	1.5	4.2
<b>GDP (US\$m)</b>	5,313	17,097	13.9
<b>GDP per capita (US\$)</b>	2,214	5,970	10.6
<b>GDP composition by sector</b>			
Agriculture	10%	8.0%	-1.3
Industry	15%	19%	1.7
Services	75%	73%	-0.2
<b>Foreign Direct Investment (US\$m)</b>	136	2,574	112
<b>Population below poverty line (1997)</b>	--	37.3%	--
<b>Gini index (2003)</b>	--	56.1	--
<b>Inflation rate (consumer prices)</b>	1.1%	7.1%	37.5
<b>Unemployment rate</b>	14.7%	10.3%	-1.9

Source: *World Development Indicators* 2006, 2008

## 2.2 Panama's Development Post-1990

As a consequence of its advantageous geographic location, political stability and dollarized monetary system, Panama's national GDP growth over the past two decades has been steady at roughly 3-5% and Panama currently has the highest GDP per capita in Central America (IMF 2006). Its service-based economy has prospered and the country has benefited from increasing foreign direct investment (FDI) as well. Nevertheless, from a human development perspective, over a third of the population still lives in poverty, the country's Gini index is among the highest in the region, and unemployment rates continue to hover around 10% (Table 2).

### **2.2.1 Economics**

The economy of the Republic of Panama is based primarily on a highly developed services sector that now accounts for three quarters of GDP. Major services include the Panama Canal, the COPA-Continental airline hub, the container ports, the railway, the Colon Free Zone, and banking and insurance. In the past decade, tourism and construction have also become major contributors to GDP, and the country has been able to attract increasing amounts of FDI (achieving an average annual growth rate of over 100% during the 1990-2006 period) directed to both public and private sector ventures.

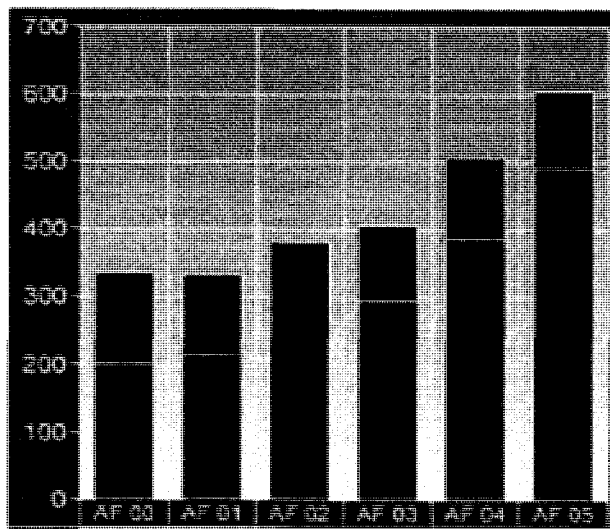
#### **2.2.1.1 Key Productive Sectors**

The Panama Canal has always been an important international waterway and is now the main shipping channel for commerce traveling between the East Coast of the United States and Asia, as well as for commerce traveling between the US and many parts of Latin America. Over 15,000 ships transit the Panama Canal each year with more than 200 million tons of cargo. The canal is a major contributor to the Panamanian economy, especially following its reversion to Panamanian control in 1999. Even with investments for maintenance and improved safety standards, the Panama Canal Authority (ACP)<sup>1</sup> generated over US\$ 1.2 billion in revenue in 2005, providing the Panamanian government with over \$US 600 million, or more than 5% of its entire operating budget (Figure 2).

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<sup>1</sup> The Panama Canal Authority (ACP) is the entity of the Government of Panama with exclusive charge of the operation, administration, preservation and modernization of the Canal, as well as all of its activities and related services. Because of its importance and uniqueness, the ACP is by law financially autonomous and has its own patrimony, along with the right to administer it.

**Figure 2**  
**Panama Canal –Contribution to the State 2000-2005 (US\$ millions)**



Source: ACP, *Panama Canal Expansion Proposal*. 2006.

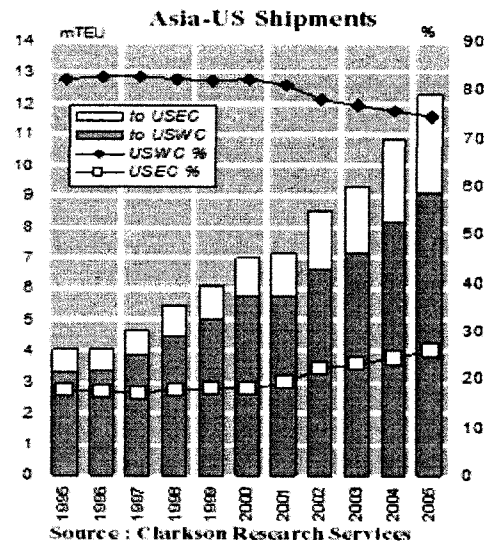
**Note:** Direct contributions are shown in blue and consist of payments for net tonnage of transit, public services provided and surplus charges. Indirect contributions are shown in red and correspond to ACP payments of income taxes and social security quotas.

Four percent of global trade and 16% of U.S borne trade is transported through the canal. The principal routes in order of importance are as follows: U.S. East Coast – Asia, Europe – West Coast of South America, U.S. East Coast – West Coast of South America, U.S. East Coast – U.S. West Coast, U.S. East Coast – West Coast of Central America, East Coast of South America – West Coast of South America, Europe – U.S. West Coast and Canada.

The main economic driver of the recent accelerated Asia-US trade is the import of raw materials for consumer goods, which are then exported. Historically, the larger Asia-US trade in terms of volume shipments was with the West Coast; however, in the decade between 1995 and 2005 for reasons of constrained West Coast capacity and transport

infrastructure limitations, Asia-US East Coast shipments grew by 341%, or nearly twice the rate of growth of the Asia-US West Coast shipments (Figure 3).

**Figure 3**  
**Asia-US Seaborne Shipments 1995-2005**



**Note:** *USEC* = Asia-US East Coast shipments; *USWC* = Asia-US West Coast shipments.

Source: Clarkson Research Services 2006

This increased usage of the Asia-U.S. East Coast trade route has had a considerable effect on Panama Canal traffic. Currently, nearly 70% of the canal traffic is either destined for or originating from the US, with the principal canal trade route by far being that between Asia and the U.S. East Coast. The top five Panama Canal clients--which account for roughly two-thirds of all cargo transported through the waterway--are the U.S., China, Japan, Chile and Korea (Table 3). Given this importance of the Pacific Rim, it is not surprisingly that eight of the twelve client members of the Panama Canal's Advisory Board are representatives of Asian transport companies.

**Table 3**  
**Top Panama Canal Client Countries**  
**(By total tonnage transported)**

<b>Country</b>	<b>Total tonnage transported</b>
<b>United States</b>	149,803,629
<b>China</b>	44,987,177
<b>Japan</b>	33,399,568
<b>Chile</b>	18,768,286
<b>South Korea</b>	18,323,085

Source: ACP, 2007

The ACP is now proceeding with a large-scale expansion of the canal involving the construction of a third set of locks, which is projected to double canal transit capacity and allow for passage of the larger “post-Panamax”<sup>2</sup> ships that are currently unable to transit the canal. This project aims to better position the canal to take advantage of increasing Asian trade and China’s economic boom. The cost is estimated at US\$ 5.25 billion and construction will take 7 to 8 years. The ACP predicts that ten years after its overhaul, the Canal will generate US\$6 billion per year, or US\$4.6 billion more that it currently generates. In terms of both size and cost, this is the largest infrastructure project in Latin America (EIU 2007). Financing is separate from the government, relying on a combination of annual transit charge increases and US\$ 2.3 billion of external, private financing based on bond issues. Internal rate of return figures are estimated at 12% and projected financial results are presented below.<sup>3</sup>

<sup>2</sup> Panamax vessels fall in the 3,000-3,999 TEU range; post-Panamax vessels fall in the 4,000 and over TEU range. A TEU is a twenty-foot equivalent unit, reflecting a standardized measure of container volume (20 ft x 8.3 ft x 8.3 ft). The term “Panamax” actually refers to the maximum vessel size able to pass through the Panama Canal.

<sup>3</sup> It should be noted that while the figures presented here come principally from ACP sources, they were originally prepared by international and national private sector entities outside of the

**Table 4**  
**Summary of Projected Financial Results of the Proposed Canal Expansion**

<b>Financial results (\$US millions)</b>	<b>2005</b>	<b>2025</b>	<b>Annual growth (average)</b>
<b>Tonnage transited (millions of tons)</b>	279	508	3%
<b>Transit income</b>	1,117	6,101	8.9%
<b>Other income</b>	92	125	1.5%
<b>Total income</b>	1,209	6,227	8.5%
<b>Operating expenses</b>	444	1,016	4.2%
<b>Surplus tonnage rights</b>	218	668	6.5%
<b>Public service provision</b>	2	2	0.0%
<b>Depreciation</b>	61	231	6.8%
<b>Net earnings</b>	484	4,310	11.6%

Source: ACP, Panama Canal Expansion Proposal. 2006.

Another key service operator is COPA Airlines, provider of international passenger and cargo service with approximately 110 flights daily to 34 destinations in 20 countries in North, Central and South America and the Caribbean, and access to flights to more than 120 other international destinations through extensive codeshare agreements, primarily with Continental Airlines. Since 1998, COPA and Continental have had a strong commercial alliance (with Continental currently owning 49% of COPA), which has helped COPA become one of the most important airlines in the hemisphere with the tagline “Panama: Hub of the Americas.”

Since 2001, COPA operating revenues have more than doubled, operating income has more than quadrupled, and earnings per share have increased nearly six-fold (Table 5). In December 2005, COPA emitted an initial public offering of its stock on the New

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ACP that have led the multitude of studies conducted in preparation for this project over the past decade.

York Stock Exchange (the second Panamanian company to do in the history of the Exchange); to date, the value of COPA stock on the Exchange has risen by over 65%.

**Table 5**  
**COPA Airlines Financial Summary, 2001-2005**

	2001	2002	2003	2004	2005
Total operating revenues	290,372	300,837	341,789	399,837	608,574
Total operating expenses	265,368	289,798	283,493	317,494	489,422
Operating income	25,004	30,841	58,296	82,343	109,152
Net income (loss)	14,818	20,668	48,489	88,572	82,989
Total cash, cash equivalents and short-term investments	28,385	34,476	61,432	110,943	114,490
Total property and equipment	227,717	345,411	480,488	541,211	637,543
Total assets	300,121	421,935	591,915	702,050	916,912
Long-term debt	111,125	211,698	311,991	380,827	402,954
Total shareholders' equity	46,426	67,094	115,583	174,155	245,867
Basic Earnings (loss) per share	0.35	0.48	1.13	1.80	1.94

Source: COPA, Annual Report 2005.

Because of the Panama Canal traffic, the airline hub and its modern port facilities, Panama is expected to become the region's principal multi-modal logistics center in coming years. The country now has the largest maritime fleet in the world and its container ports represent a total investment of over US\$4.5 billion. The two major container ports in Panama are those run by the Panama Ports Company (Hutchinson Ports Holdings) on the Pacific side of the canal and the Manzanillo International Terminal (Stevedoring Services of America) on the Atlantic side. The ports are expanding their container transshipment capacity with Manzanillo International Terminal having just completed a \$100 million expansion program and Panama Ports finishing a \$130 million modernization program and starting another \$200 million phase three program.

This activity--in conjunction with the trans-isthmian railroad recently restored by Kansas City Southern Railways, which now forms a land bridge complement to the

Panama Canal--will allow Panama to transit over 3 million containers per year and continue growing over the years making Panama the largest container transshipment center in Latin America. This increased port activity requires additional services from the local economy in the areas of financing, insurance, specialized maintenance and repair, electricity and water, telecommunications, trained manpower and other services, and creates new business opportunities for logistics and cargo industries.

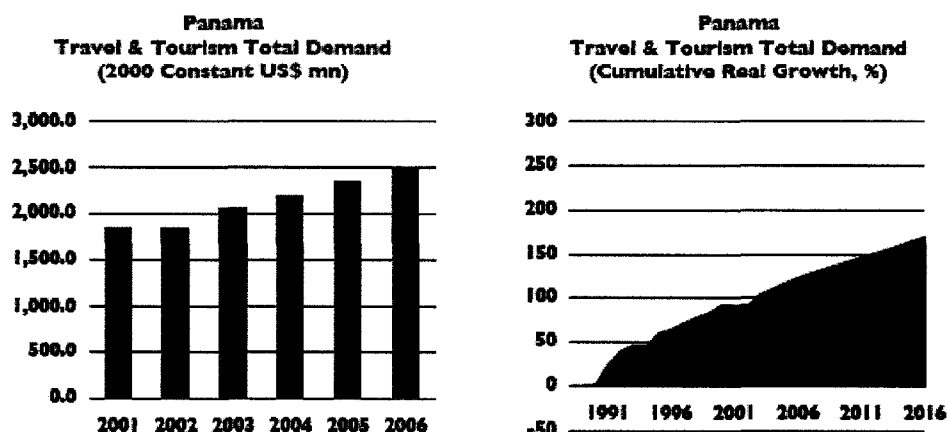
Another critical component of Panama's logistics hub configuration is the Colon Free Zone (CFZ). The CFZ is the largest free zone in the hemisphere and the second largest in the world. Created in 1948, it now houses over 2,000 companies and generated exports and re-exports of roughly US\$11 billion in 2005. It operates as a segregated area where merchants may import free from import duties or quotas and with a minimum of taxes. Thus, businesses can import in bulk from the Far East, Europe and the US and re-export in quantities determined by their Latin American clients. It is estimated that CFZ activity represents about 10% of Panama's GDP.

An ambitious new project to unite existing infrastructure and transport entities into a single coast-to-coast network is slated for development over the next five years and involves the coordination of the Civil Aviation Authority, the Maritime Authority of Panama, the CFZ Administration and the Customs Department, along with private sector port operators, the Panama Canal Railway Company and the airports. This integration of transport systems will operate within a single customs regime, allowing for cheaper and more efficient transfer of goods. The purpose is to convert the CFZ and its Pacific side counterparts into the "Multimodal Logistics Center of the Americas," increasing international commerce and stimulating FDI (MEF, Compite Panama 2006).



Related to transport and logistics, the tourism and travel industry is another of Panama's important economic drivers and is estimated to have contributed \$US 725 million to the Panamanian economy in 2005, or 4.5%, and is projected to grow around 5% annually over the coming decade (WTTC 2006) (Figure 4).

**Figure 4**  
**Panama Travel and Tourism Total Demand 2006 – 2016**  
**(US\$ and % Growth)**



Source: World Travel & Tourism, Panama 2006.

This has significant implications for both employment and visitor expenditures within the country. Travel and tourism employment is estimated at 129,000 jobs in 2006, or nearly 11% of total employment. By 2016, this should increase to 171,000 jobs, or close to 12% of total employment. Similarly, spending by foreign visitors to Panama is also increasing annually. It is estimated to generate 14% (US\$ 1.35 billion) of total exports in 2006, increasing to 17% (US\$ 2.79 billion) in 2016, if current trends continue (WTTC 2006).

Similar to tourism, construction--the demand for which is closely connected to foreign investment--has escalated in the past five years and is mostly concentrated in Panama City. In January of 2006, a total of 268 new construction projects were officially

registered in the capital, around 60% of which corresponds to high-rise buildings and 40% of which corresponds to neighborhood housing projects (Camara de Comercio 2006). In March of 2006, the President installed a new government-private sector commission to oversee procedures for the approval of construction plans, promote construction in Panama, and clarify national interests to potential investors. The Panamanian Chamber of Construction (CAPAC, for its acronym in Spanish) reports construction investment in Panama of nearly \$US1 billion in 2005, \$US1.2 billion in 2006, with an estimated \$10 billion more over the next five years (CAPAC 2006).

The enabling base for this exponential growth is the Panamanian financial system made up of the banking sector, the national stock exchange, insurance and reinsurance companies, finance houses, and leasing companies. Of these, the banking sector is the most important and the creation of the Superintendency of Banks (SB) in 1998 signaled the start of significant regulatory and supervisory reform, which has had the effect of strengthening Panama's banking system nationally and internationally.

Panama uses the U.S. dollar as its national currency and has no Central Bank for printing money. The Banco Nacional de Panama (BNP) acts as the financial agent for the central government and the official clearinghouse for the banking system; it ensures an adequate supply of currency to the banking system and has at times supplied liquidity to banks that were in need of it. There are no restrictions on capital flows in or out of the country and there are no foreign exchange controls. What most affects the Panamanian money supply is international flow of funds into and out of the country.

Prior to the banking law of 1970, Panama had about 20 banks and total banking assets of less than one billion dollars. The objective of the 1970 legislation was to create

and promote an international banking center that would be primarily self-regulated. The initiative was successful and in 2003, Panama's 77 banks from 35 countries reported total deposits of \$25 billion with \$36 billion in total assets, nearly 75% of which comes from abroad. In 2003, approximately five percent of the total credit portfolio represented loans to the public sector. Loans to the private sector in Panama represented the remaining 95 percent and totaled US\$11 billion. The three largest loan sectors are trade and commerce (30%), mortgages (26%), and consumer lending (21%). The banking and finance sector currently accounts for 8% of the country's GDP and has total assets worth more than 300% of the monetary GDP (U.S. Commercial Service 2006).

According to the International Monetary Fund, the fundamentals of the Panamanian banking system remain sound and the IMF applauds the progress made by the Superintendency of Banks in strengthening bank regulation and supervision, in particular in the areas of inspections and consolidated supervision of regional banking institutions. It also notes that the banking system has remained sound despite the absence of a lender of last resort and a deposit insurance scheme, thanks in large part to a strong regulatory and supervisory framework that emphasizes crisis prevention, transparency, and market discipline (IMF 2005, 2006).

#### **2.2.1.2 Foreign Direct Investment and Trade**

Panama has always encouraged foreign direct investment (FDI). It has no official restrictions on capital flows, does not discriminate between foreign and domestic investment, maintains bilateral investment treaties with the United States and a number European countries, and has a well-developed and sophisticated financial services center. US firms are heavily invested in Panama compared to other Latin American countries,

and the US represents over a third of Panama's total FDI (U.S. Department of State). Total FDI now accounts for around 6% of GDP, though this is down significantly from the average of the late 1990s (11-14%) when a wave of privatization was under way (WDI 2006). While privatization has dwindled, there is considerable potential for major investment with the recent construction boom, growing tourism and the recently approved expansion of the Panama Canal.

Although the government is generally responsive to FDI interests, critics point to the existence of some still very highly regulated industries, an often cumbersome legal environment, relatively high labor costs and inflexible labor code. Nevertheless, the recently ratified Panama-US Free Trade Agreement should serve to at least partially ameliorate a number of these concerns (Hornbeck 2004).

The final topic in this discussion of Panama's economic development touches on trade. Though it began as one of the more prosperous, stable and open economies in Latin America, Panama in the 1970s started to adopt highly protectionist policies that eventually limited growth, increased the external debt and led to a marked increase in inequality. By the 1980s, these distortions, together with the debt crisis and the effects of the Noriega dictatorship, had plunged the economy into a deep recession. Nevertheless, since 1990 Panama has recovered rapidly, dismantled many of its complex trade barriers and price controls, undertaken a far-reaching privatization program, issued anti-trust and consumer protection legislation, and concluded a Debt and Debt Service Reduction (DDSR) accord which restored Panama's access to international financial markets.

Panama acceded to the World Trade Organization (WTO) in 1997, which forced a unilateral reduction of tariffs. Panama's average tariff has now fallen to 8%, but those on

agricultural products are much higher, with some at the maximum permitted under WTO regulations. All imports, except for pharmaceuticals, foods and school supplies, are subject to a nondiscriminatory transfer (sales) tax of 5% and other fees. The WTO also recommended adjusted export subsidies, but Panama has delayed a commitment on this as it has traditionally used these tax credits to attract foreign investment in certain export-oriented industries, such as shrimp farming and tourism, and in “export processing zones,” where imports of manufacturing inputs are duty free as long as they are transformed for re-export (USTR 2004).

A distinct element of Panama’s trade regime is its Colon Free Zone (CFZ), which as noted above is the largest free trade zone in the world after Hong Kong. Goods can be imported, modified or repackaged, and re-exported without being subject to Panamanian customs or duties. Trade from the CFZ accounts for approximately 7% of net exports, but only 1% of employment. In 2002, goods worth nearly \$5 billion were imported into the CFZ, mostly from Hong Kong, where they were then re-exported to Latin America, but the net effect added only \$400 million to the Panamanian trade balance. Most CFZ imports are luxury and other consumer goods, such as electronics and clothing (Hornbeck 2004).

In terms of individual trading partners, the United States, Spain, Holland, Sweden, and Costa Rica are the principle partners for exports; and the United States, Japan, Costa Rica, Mexico and Colombia are the primary partners for imports. The United States is by far Panama’s largest overall trading partner accounting for 48% of Panamanian exports and 34% of imports. If taken collectively, the Latin American countries represent Panama’s second largest partner, accounting for 26% of exports and 31% of imports, and

Panama tends to run a sizeable trade deficit with them. The largest of these are Costa Rica, the Dominican Republic and Mexico, though Panama also imports significant quantities of oil from Venezuela and Ecuador. The European Union is the country's third largest partner, absorbing 22% of Panama's exports and providing 7% of imports, but accounting for only a small percentage of Panama's trade deficit. Asia as a region accounts for 3% of Panama's exports and 11% of its imports (MICI 2006).

Exports of goods and services currently make up 28% of Panama's GDP (Table 6). The nation has consistently run a sizeable trade deficit in goods, but this is often balanced by its large services trade surplus. This feature appears to be rather unique among Latin American countries (Hornbeck 2004). Interestingly, as a percentage of GDP, both exports and imports have decreased somewhat over the past several decades. Terms of trade have also diminished slightly over time and the Current Account Balance, though it has fluctuated to a degree, is now hovering around 1% of GDP, just as it was on average during the 1970s and 1980s (Table 6).

**Table 6**  
**Selected Trade-related Indicators, Panama 1975-2007**

	<b>1975-90 (average)</b>	<b>1998</b>	<b>2000</b>	<b>2007</b>
<b>GDP growth</b>	2.1	4.6	2.6	9.5
<b>Exports (% GDP)</b>	40.0	28.0	30.0	73.0
<b>Export growth (average annual)</b>	-0.9	-11.0	6.7	8.6
<b>Imports (% GDP)</b>	34.0	36.0	32.0	71.0
<b>Import growth (average annual)</b>	-2.0	6.7	-4.7	10.5
<b>Current Account Balance (%GDP)</b>	-1.0	-10.8	-6.0	-6.2

Sources: World Bank, World Development Indicators 2006-2008; UN ECLAC Preliminary Overview of the Economies of Latin America, 2003

The bulk of Panama's exports (65%) are commercial services, with 56% of this corresponding to transport, 23% to travel and 13% to insurance and financial services. At present, manufactured goods only account for 12% of merchandise exports, and most are related to processed foods. The bulk of Panama's imports (84%) are consumer goods, 68% of which are manufactured goods.

Panama signed its first trade agreement with the Dominican Republic in 1985, and has since signed agreements with Colombia in 1995, El Salvador in 2002 and Taiwan in 2003 (MICI 2006). In April 2004, Panama began negotiating a bilateral free trade agreement (FTA) with the United States; in December 2006, the agreement was approved by the Panamanian government, though U.S. Congress approval is still pending.

Despite recent progress, further growth will depend largely on increased development of investment and exports. This, in turn, will be determined to a large degree by the extent to which Panama can successfully implement WTO and other trade obligations with regard to transparency, reduction of non-tariff barriers, and consistent application of legal frameworks. Increased development of investment and exports will also depend on Panama's success in connection with national capacity building and external marketing.

### **2.2.2 Governance and International Politics**

From 1903 to 1968, Panama operated as a constitutional democracy with an economy dominated by a commercially oriented oligarchy. During the 1950s, the Panamanian military began to challenge the oligarchy's political control and in 1968 a military junta government was established under General Omar Torrijos, a charismatic dictator whose domestic program emphasized public works and agrarian reform. Torrijos

also encouraged the entry of foreign banks and firms and led the treaty negotiations that resulted in the Canal being returned to Panamanian sovereignty. Following his death in 1981, the rivalry between civilian elites and the Panamanian military developed into a crisis under the de facto dictatorship of General Manuel Noriega. This finally led to the 1989 U.S. invasion that toppled Noriega and ultimately disbanded the Panamanian military.

Since 1990, democratically elected presidents have governed the country, which functions as a representative democracy with independent executive, legislative and judicial branches. Panama now maintains a relatively strong civil liberties and political rights record, without much of the turbulent history that has afflicted many of its Central and South American counterparts. Freedom House rates Panama as a “Free” (as opposed to “Partly Free” or “Not Free”) country, with a “1” for Political Rights and “2” for Civil Liberties--1 representing the most free and 7 representing the least free (Freedom House 2006). Panama also currently scores a “9” (denoting a Full Democracy) in the University of Maryland’s *The Polity IV Country Report Series*, though issues of corruption and transparency still remain as challenges. Transparency International’s Corruption Perception Index ranks Panama at 65 out of 158 countries, with a rating of 3.5 on a scale of 0 (highly corrupt) to 10 (relatively free of corruption) (Transparency International 2006). Panama’s current administration is aware of the potential consequences associated with perceptions of corruption and is taking steps to compensate, correct and move in the direction of increased transparency.<sup>4</sup>

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<sup>4</sup> Martin Torrijos ran his campaign on a platform of "zero tolerance" for corruption, a problem endemic to past administrations. Since taking office, President Torrijos has instigated a number of measures to make the government more transparent. He also formed the National Anti-Corruption



Panama's international politics have been influenced heavily by its commercial role as a global intersection and its strong ties to the United States as technology, democracy and political stability have progressed, Panama's geographic positioning has been an asset that has facilitated the development of regional and global links at every level, which in turn have contributed to the development of the country.

At the regional level, in addition to its historically close relationship to the United States, Panama has long been involved in various accords with different sub-regions of the hemisphere. It has benefited from inclusion in the Caribbean Basin Initiative (CBI), signed bilateral treaties with many of its neighbors throughout the 1970s and 1980s, and more recently participated in new agreements related to the Plan Puebla-Panama, a mega development project which seeks to open up the southern half of Mexico and all Central America to establish the foundation for the Free Trade Area of the Americas (FTAA). Panama's latest initiatives include a series of bilateral Free Trade Agreements and its newly acquired status as associate member of MERCOSUR, South America's regional trading partnership, which grants Panama access to preferential trade with the MERCOSUR bloc, but not to the tariff benefits of the four full members, Argentina, Brazil, Paraguay and Uruguay. Given U.S. interest in integrating the Southern Cone in its FTAA plans and the lukewarm response this has generated until now from MERCOSUR countries, Panama could become a valuable link in the process of moving toward a FTAA, even without full-fledged membership rights (COHA).

In addition to its trade alliances, Panama retains membership in most key regional political and economic groups: the Organization of American States (OAS), the Rio

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Council whose members represent the government, civil society, labor and religious leadership (US Department of State 2006).

Group, the Central American Parliament (PARLACEN) and the Central American Integration System (SICA), among others. Panama also joined its Central American neighbors at the 1994 Summit of the Americas in signing the Alliance for Sustainable Development (Conjunta Centroamerica-USA (CONCAUSA)) to promote sustainable economic development in the region (U.S. Department of State). Panama's relations with neighboring Colombia have never been close since its declaration of independence and have been strained by Colombia's ongoing internal conflict and fears related to issues of drug trafficking and Colombian settlers and guerrillas moving across the border and threatening national security. Nevertheless, particularly in recent years, Colombia has contributed considerably to both Panama's foreign investment and its educated workforce.

Under the current administration, Panama has been angling to fill a broader hemispheric mediator position by maintaining visibly close ties with both Venezuela and Cuba alongside of its traditionally strong ties with the U.S. Panama has also used this regional mediator role to propel itself onto the global diplomatic stage. Through ostensibly brokering the decision-making process for nominating the second Latin America representative to the United Nations Security Council, Panama ended up emerging as a compromise candidate for the two-year revolving seat representing 35 Latin American and Caribbean nations on the Council after the initial favorites Guatemala and Venezuela withdrew from the contentious race having failed to achieve the required two-thirds majority.

Another strategic move for parlaying Panama's regional links into more visible global connections was made this year by the government in promoting and signing a

formal agreement with the UN committing the organization to move the regional bases of its numerous agencies to Panama's City of Knowledge where several agencies (UNDP and UNICEF among them) have already established their Latin America and Caribbean regional offices.

Other global connections have been more externally driven. Increased Pacific Rim trade--particularly between Asia and the United States--has been a major force behind much of Panama's recent activity beyond the hemisphere. Mainland China accounts for much of this growth in Asian influence, though Japan, Korea, Hong Kong, Singapore and Taiwan are important players as well (Edmonds, et al 2006). The growing Asian influence has impacted Panama's development beyond the canal as well. For example, Asian investment is an important component of the country's FDI and extends to port operations and banking (China), container logistics (Taiwan), and regional automobile and electronics distribution (Japan and Korea), to name several areas of involvement. These same governments are also significant contributors of foreign assistance.

Panama's evolution as an increasingly important global economic and political player is captured by some of the annual international global monitoring reports. For example, in A.T. Kearney's Globalization Index, Panama has steadily risen since the first report was published in 2000 and now qualifies as the 21st most globalized economy in the world (A.T. Kearney 2006)—ahead of all other countries in Latin America and nearly all other developing countries worldwide. Similarly, in the World Economic Forum's 2006 Global Competitiveness Index, Panama ranks 57th of the 125 countries included in the study, up 8 spots from the 2005 evaluation and ahead of most countries in the region

except for Chile and Costa Rica. In more generalized country ratings, such as the World Bank's Governance Indicators Country Snapshot (GRICS) and the Heritage Foundation's Index of Economic Freedom, Panama also fairs well, particularly compared to other globalizing cities of the developing world and of the region.

The table below offers a comparison of data for Panama and selected other globalizing economies. These comparisons include (1) Singapore, since it is among the most developed global city-states of the developing world; (2) Dubai, since it is another developing country hub that, like Panama, has grown exponentially in the past two decades and is in a similar, if slightly more advanced, phase of globalization; and (3) Mexico, as it tends to be the most often cited example of a global city in Latin America.

**Table 7**  
**Global City Data Comparison for Selected Cities**

	<b>A.T. Kearney Globalization Index 2005 (rank of 62)</b>	<b>WEF GCR 2006 (rank of 125)</b>	<b>World Bank GRICS 2005 (composite ave. 1-100)</b>	<b>Index of Economic Freedom 2007 (score 1-100)</b>
<b>Panama</b>	<b>24</b>	<b>57</b>	<b>55</b>	<b>66</b>
<b>Singapore</b>	4	5	86	86
<b>Dubai</b>	N/A	32	62	60
<b>Mexico</b>	42	58	49	66

Sources: A.T. Kearney Globalization Index 2005; World Economic Forum Global Competitiveness Report, 2006; World Bank GRICS 2005; Heritage Foundation, Index of Economic Freedom 2007

### **2.2.3 Human Development**

Panama's progress over time on the United Nations Development Programme (UNDP) Human Development Index (HDI) has been reasonably steady and the country ranks number 58 of 177, in the category of Middle Development Countries (UNDP 2006).

**Table 8**  
**UNDP Human Development Index: Panama 1990-2005**

<b>Year</b>	<b>HDI Panama</b>
<b>1990</b>	<b>.747</b>
<b>1995</b>	<b>.770</b>
<b>2000</b>	<b>.787</b>
<b>2005</b>	<b>.788</b>
<b>2006</b>	<b>.809</b>

Source: UNDP 2006, Human Development Reports.

Progress on health and welfare has been consistent, though with significant variation between provinces and between urban and rural areas. From 1960 to 2004, life expectancy has gone from an average of 61 years to an average of 75; from 1990 to the present the average has improved by three years. Likewise, infant mortality in 1960 was at 58 per 1,000 live births, down to 27 in 1990 and currently stands at 19. The infant mortality figures for Panama are roughly a third lower than for the regional average and nearly 70 percent below statistical averages for developing countries in general. Access to improved water sources and sanitation is also relatively high—over 90% for the total population and over 80% for rural populations (WDI 2006). What these figures fail to reflect, however, is the frequency with which these facilities are non-functional, which in poorer areas tends to be high.

Over the past decade for which figures are available, Panama's annual public health expenditures have been steady at around 5 percent of GDP. Interestingly, while the number of physicians per 1,000 people in Panama has gradually increased over time, the number of hospital beds has steadily decreased implying that expansion of facilities has not kept pace with the expansion of expertise. This does not seem to have effected the

delivery of some basic services, such as immunizations for DPT and measles in children under a year old, for example, which have greatly improved in the last decades and now reach the vast majority of the population (97%). This lack of facilities, particularly in more isolated areas, does affect care of children between one and tens years old, however. The national average for regular medical attention to children of that age is about half that of the immunization rate, or 50 percent. And this drops to between 5 and 10 percent for the more remote provinces. In general, figures for access to all healthcare services outside of Panama City are between 10 and 40 percent lower than those for those within the capital city (Ministry of Health 2006). Another impediment to health care access is the inability of the independently and informally employed to inscribe in the national Social Security system. Current figures estimate that only 50-60% of the working population is covered by the national healthcare system, which leaves a large portion of the country without coverage. Unfortunately, this portion comes primarily from the poorest segment of the population. Steps toward finding solutions to this problem are further hindered by the serious financial difficulties currently facing the national Social Security system.

There is surprisingly little data for Panama on both education inputs and outcomes.<sup>5</sup> Even so, the existing data indicate some progress over the past several decades with regard to public spending on education, school enrollment, primary school completion and overall literacy. Public spending in the area of education has doubled since 1960, rising from 3 to 6 percent of GDP, which is relatively high by regional standards. Also, both enrollment (at primary, secondary and tertiary levels) and literacy (for both youths and adults) rates have

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<sup>5</sup> The website for the Ministry of Education of the Republic of Panama is the following: <http://www.meduc.gob.pa/>.

improved steadily over the years. The primary school completion rate for the last decade stands at 94 percent. There is very little gender discrepancy in these figures—only 1-2% in literacy, less than 5% in enrollment and less than 1% in primary school completion—which is indicative of fairly balanced educational opportunities for both sexes.

Within the overall public spending on education, there has been a distinct shift over the past two decades toward spending at secondary and tertiary levels. Public expenditures per student (as a percent of GDP per capita) at primary, secondary and tertiary levels now reflect a ratio of 3: 5: 10. This represents a doubling of relative expenditure since 1980 in secondary and tertiary education and is a result of national strategy aimed at better positioning the country to take advantage of its geographical location as a potential multinational corporate base. The introduction of international evaluative standards is also being discussed as a next step in this direction. This strategy has met with some controversy; however, as critics point out that it comes at the expense of primary education, which is currently being ignored in terms of both spending and quality control. Education is compulsory through grade 9 and ostensibly paid for by the state. In reality, though, funding generally does not cover materials, which for many is an expense that is increasingly difficult to absorb. The UNDP 2002 National Human Development Report (NHDR) also discusses the problems of the quality aspect of Panamanian public education and concludes that there is significant opportunity for improvement in the following areas: rural accessibility to education, curriculum content and program processes, teacher training, management efficiency and effectiveness, and incorporation of technology (UNDP Panama 2002, Chapter IV).

Adequate, equitable utilization of human capital is perhaps Panama's most difficult development challenge. While access to and quality of social welfare related services can certainly be improved upon, particularly in the rural communities, Panama fares reasonably well in this area compared to the rest of the region and developing countries worldwide. Sustenance of human capital has progressed significantly during the past decades and even during the last fifteen years. Productive utilization of human capital, on the other hand, has not advanced to the same degree. An estimated 37 percent of the population still lives in poverty, with Panama ranking among the worst in the region with regard to income distribution. Panama's poorest 10 percent account for only 0.8 percent of income, while the richest 10 percent account for nearly 44 percent; these figures have also become increasingly polarized in the last two decades (WDI 2006).

Unemployment in Panama has been consistently around 45% higher than the regional average for Latin America and the Caribbean, with the situation worse for women than for men, which is typical throughout the region and the world. Still, there has been some improvement in the figures over the last decade and a half, particularly for women (WDI 2006). More recent national figures even report total unemployment below 10%, primarily as a result of booming construction (MEF 2006).

**Table 9**  
**Unemployment in Panama, 1990-2005**

<b>Years</b>	<b>Male Unemployment</b>	<b>Female Unemployment</b>	<b>Total Unemployment</b>
<b>1990-1992</b>	10.8	22.3	14.7
<b>2003-2005</b>	8.1	14.0	10.3

Source: World Bank, World Development Indicators 2006, 2008



The underutilization of human resources has been a subject of interest in Panama for a number of years. In 2003, Brazil's Instituto de Pesquisa Econômica Aplicada (IPEA Poverty Institute) published a thorough study on this topic: *Equality as a Strategy for Combating Poverty in Panama (La Igualdad como Estrategia de Combate a la Pobreza en Panama)*. The work concludes that Panama's poverty situation is a result of extreme resource distribution inequality and insufficient utilization of productive capacity. It goes on to surmise that the root of the problem is not demographical in nature, nor completely attributable to low workforce qualifications or lack of job opportunities (though unemployment is, of course, an exacerbating condition); rather the root of Panama's current dilemma lies with the quality of the jobs available and people's access to them. The study contends that workforce qualifications account for only 20% of the reason behind low paying jobs, with 50% of the blame residing with the nature of the positions themselves, accentuating the deleterious effect of underemployment on the economy. Structural issues cited for attention include property ownership and titling, domestic and international market access mechanisms and access-to-information (Paes de Barros 2003).

This issue of underutilization of human resources is closely related to the issues of underemployment and the informal economy, particularly in the urban context and particularly for women. These are not new problems for Panama; they are mentioned in many government reports, such as the one produced by the national Social Cabinet for the World Summit on Social Development (2000), and statistics on both underemployment and the informal economy appear yearly in the Annual Household

Survey conducted nationally. The 2005 survey estimates over 40 percent of employment in the province of Panama is informal.

### **2.3 University Education in Panama**

Within the national context of accelerated economic growth and sluggish human development growth, capacity development and education have become increasingly important topics. Of particular interest is the issue of higher education in Panama, specifically the public and private university offer, and how it contributes to the country's development and competitiveness. For the purposes of this research, the university offer refers to all institutions registered as universities or as post-secondary professional institutes that confer a degree requiring two years or more of coursework. Many of the professional institutes (accountancy, maritime, etc.) have already assumed the title of "university" for their degree-level educational offer or are in the process of doing so.

#### **2.3.1 Historical Overview**

The history of education in Panama is considered to have progressed through three distinct periods, as has the history of the republic itself: 1) the Colonial Era (1501-1821), 2) the Colombian Era (1821-1903), and 3) the Era of the Republic (1903 to the present). Education in Panama began with the arrival of the Jesuit priests in 1519, the year the city of Panama was founded. The Jesuits established various primary schools over the years, followed by a high school in 1744 and the Universidad de San Javier (University of St. Javier) in 1750. This period came to an abrupt end, however, in 1767 when the Jesuits were expelled from the country by order of King Carlos III of Spain (Ceville 2003; UNESCO 2003).

The second noteworthy period of education development in Panama began in 1821 with Colombia's independence from Spain, while Panama still formed part of Colombia. In 1841, the Universidad del Istmo (University of the Isthmus) was established to provide studies in Spanish and Latin grammar, rhetoric, theology and law and maintained operations until 1852, after which there was no formal higher education in Panama until the beginning of the next century (Ceville 2003; UNESCO 2003).

Education as a national endeavor revived after Panama's separation from Colombia in 1903. The constitution mandates obligatory public primary education and pledges support for secondary and professional education; thus, education at all levels began to flourish during the 1900s and by the late 1990s the literacy rate had grown to over 90 percent. According to the constitution, higher education falls under the jurisdiction of the Ministry of Education but authority for curricular oversight resides with the University of Panama by law.

The University of Panama was established in 1935. Predating this, the first higher education institution in the Republic of Panama was actually the Panama Canal Junior College founded in 1933 by the United States to offer classes to the military and civilian staff of the U.S. Canal Zone (The Chronicle of Higher Education 1997), though not to the general Panamanian public.<sup>6</sup> When the Panama Canal reverted to Panama in 2000, Florida State University assumed responsibility for the PCC campus and currently awards undergraduate degrees to students of all nationalities. As mentioned earlier, with the

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<sup>6</sup> This institutional dichotomy is important to note: throughout the tenure of the U.S. construction and administration of the Panama Canal, a dual economy existed within the country that extended to the educational facilities. The Panama Canal Company and later the U.S. Department of Defense operated a network of schools separate from the Panamanian system that catered exclusively to Canal Zone personnel; it was only with the reversion of the Canal territory in 1999 that a single, integrated system was formed.

reversion of the Canal Zone territory, a portion of land and facilities was dedicated to the foundation of the “City of Knowledge,” the semi-autonomous body whose mandate it is to foster a cluster of national and international universities and research institutes in the reverted areas.

In 1965 the Catholic Church founded Panama’s second university, the Universidad Católica Santa María la Antigua (USMA), a private non-profit institution, and Panama continued with two universities in the system until the 1980s. From the 1980s to the present, four more public universities have been established: the Universidad Tecnológica de Panamá (Technological University of Panama, UTP) in 1981,; the Universidad Autónoma de Chiriquí (the Autonomous University of Chiriquí) in 1994; the Universidad Especializada de Las Américas (the Specialized University of the Americas), in 1997; and most recently, the Universidad Marítima Internacional de Panamá (the International Maritime University of Panama) in 2007.

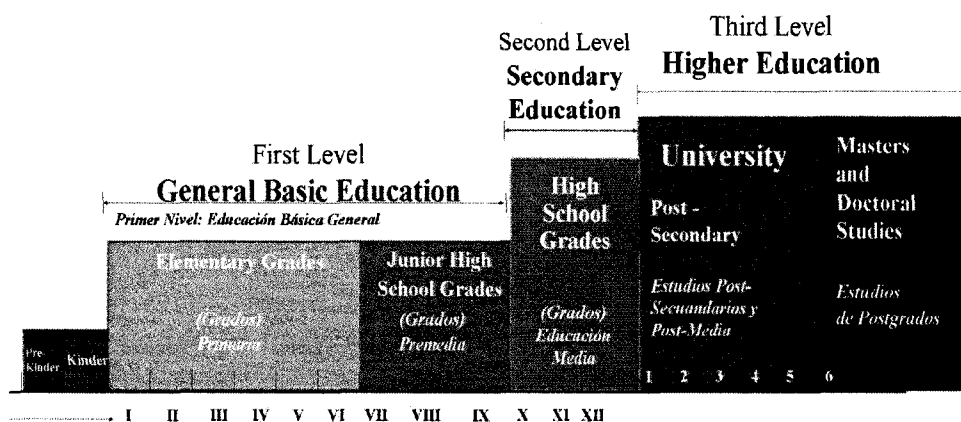
The last two decades have witnessed an explosion of private universities in Panama—of both domestic and international origin—most of which operate as for-profit entities. Currently, the Ministry of Education recognizes a total of 36 universities operating in the country (MEDUCA 2007). The Public Registry, however, lists 90 legally registered universities currently operating in Panama (Public Registry 2007). In response to this growth, Panama is now beginning to create structures related to quality assurance; the Consejo de Rectores de Panamá (Council of Rectors) was established in 1995 and the Consejo Nacional de Evaluación y Acreditación Universitaria de Panamá (National Council of University Evaluation and Accreditation - CONEAUPA) was formally established at the end of 2006, but its secretariat is still in the preparatory stages

of organization (CRP 2007).

### 2.3.2 Structure and Logistics

The Panamanian school year runs from March to December and classes are generally given in Spanish. Exceptions to both academic calendar and language are found in the private international primary and secondary schools and in some U.S. affiliated universities that operate on the U.S. system. Panama's educational ladder, the customary progressive educational steps of the national system, closely mirrors that of the U.S. It was reorganized by Law 34 of 1995 and now corresponds to 6 years of primary education, 3 years of junior high school, 3 years of high school, 4 to 6 years for undergraduate studies and 1 or more years for postgraduate studies, depending on the degree and area of study (Figure 5).

**Figure 5**  
**Educational Ladder, The Republic of Panama**



Source: Ministry of Education of the Republic of Panama, 2007.

Perhaps because of Panama's proximity and historically close ties with the U.S., the university credentials and grading system are similar to their U.S. counterparts.

Credentials have similar titles and the time required for completion corresponds closely to U.S. system equivalents (Table 10); recently, however, many of the newer private universities are offering the same credentials in exchange for far fewer hours of student class time or coursework.

**Table 10**  
**Panamanian Secondary and University Credentials**

<b>Credential Spanish/ English</b>	<b>Description</b>	<b>Advice to Admissions Officers</b>	<b>Entry level requirements/ Options upon completion</b>
B.1. Diploma de Secundaria Primer Ciclo/ Middle school diploma	This qualification signifies graduation from middle school (9 <sup>th</sup> grade), the first cycle of high school and the end of compulsory education.	This qualification is comparable to a U.S. middle school diploma.	Students must complete primary education in order to pass to the secondary level. Middle school represents the end of compulsory education, though students may opt to continue and finish high school.
B.2. Diploma de Bachiller/ High school diploma	The Bachiller represents completion of both cycles of secondary school through 12 <sup>th</sup> grade and usually contains a specialization (e.g. business, agriculture, sciences).	This diploma is comparable to a U.S. high school diploma.	Students must complete middle school in order to pass to the high school (second cycle) level. Upon completion of high school, students may opt to continue with additional technical or university education.
C. Técnico/ Post-secondary technical certification	Higher technical and vocational studies are offered in higher studies centers and	This qualification represents additional technical study following high	A Bachiller is generally required for technical training. Qualification as a

	institutes, which offer two to three-year courses leading to the professional qualification of Técnico. The Universidad Tecnológica confers a title of Técnico after three years of study.	school, which may or may not be comparable to the same number of years of university study.	Técnico leads to employment or further study at university level.
D. Licenciatura/ Bachelor's	The Licenciatura is generally conferred after studies lasting 4-5 years. Professional titles are conferred in several fields, generally after five years (three in Nursing and six in Medicine).	This qualification is roughly comparable to a U.S. Bachelor's degree.	A Bachiller is required for university admission along with an entrance examination for some public universities. The Licenciatura leads to employment as a professional or further university study at the post-graduate or Master's level.
E. Postgrado/Post-graduate specialization	The title of postgrado represents 1 or more years of additional study in a particular area of specialization following the Licenciatura (Bachelor's)	This qualification represents specialized university study beyond the Bachelor's level but below the level of the Master's.	A Licenciatura is required for further study at the post-graduate level. The Postgrado qualification leads to employment as a professional or further university study at the Master's level.
Maestría/ Master's	The Maestría is conferred after 1-2 years' further study beyond the Licenciatura. Students must submit a dissertation or	This degree is roughly comparable to the U.S. Master's.	A Licenciatura is required for further study at the Master's level. The Master's qualification leads to employment as a professional or

	other requirement.		further university study at the doctoral level.
Doctorado/ Doctorate	This qualification is usually conferred after additional years of study beyond the Maestría.	This degree is roughly comparable to the U.S. PhD.	
Bachiller Pedagógico/ Primary School Teacher Certification	Primary school teachers are trained at Escuelas Normales (teacher training colleges). Students enter the course after completing the first cycle of secondary education. The three-year course leads to the Bachiller Pedagógico which is at the level of the regular Bachiller (high school diploma). Secondary school teachers are required to have a Licenciatura.	This qualification falls somewhere between a U.S. high school diploma and a junior college Associate's degree.	Completion of the first cycle of secondary school (middle school) is required for entrance to the Escuela Normal. This Bachiller degree leads to employment in primary school education or further study at the university level.

Source: IAU, World Higher Education Database (WHED), from the Ministry of Education, Panama 2006.

Public and private universities in Panama both operate on a 3-point letter grade system, which is similar to the U.S. system but with different assigned grade points that affect the calculation of averages (Table 11). Exceptions to the Panamanian grading system are found in some of the U.S. affiliated universities such as Florida State that follow the U.S. system.



**Table 11**  
**Panamanian University Education Grading System**

<b>Letter grade</b>	<b>Performance equivalent</b>	<b>Percentage</b>	<b>Grade points</b>
A	Outstanding	91 – 100	3
B	Good	81 – 90	2
C	Average	71 – 80	1
D	Minimum to pass	61 – 70	0
F	Fail	0 – 60	0
I	Incomplete	N/A	0
P	Pass	N/A	-
N	Fail	N/A	-

Source: Universidad de Panamá; Universidad Santa María la Antigua, 2007

Honors are awarded for higher grade point averages, though these differ between the public and private institutions (Table 12).

**Table 12**  
**University Honors Grade Point Averages**

<b>Private Universities</b>		
<b>Honor title</b>	<b>Master's Grade Point Average</b>	<b>Bachelor's Grade Point Average</b>
Summa Cum Laude	3.00	2.90 – 3.00
Magna Cum Laude	2.90 – 2.99	2.70 – 2.89
Cum Laude	2.80 – 2.89	2.50 – 2.69
<b>Public Universities</b>		
<b>Honor title</b>	<b>Grade Point Average</b>	
Sigma Lambda	2.50 or above	

Source: Universidad de Panamá; Universidad Santa María la Antigua, 2007

### **2.3.3 Legal and Regulatory Overview**

At the national level, there are several key laws that lay the basic legislative framework for the structure of higher education in Panama. The first is that which established the country's first public university, the University of Panama, in 1935. In

1946, Law 46 of the Constitution formally instituted the sector of tertiary education and Law 16 of 1963 set the legal premise for private university operation. Law 34 of 1995 and Executive Decree 50 of 1999 are the instruments that broaden the concept of higher education to include all post-secondary education, university and non-university programs and also provide for a Modernization Plan (1997-2006) for higher education (UNESCO IESALC 2003; Bernal 2001). According to the Constitution of 1972, the University of Panama and the Ministry of Education are jointly responsible for the authorization and regulation of universities, with the Ministry responsible for official university recognition and operation authorization, and the University of Panama responsible for curricular and programming oversight. However, the delineation of this mandate is ambiguous and gives rise to various contradictory interpretations of boundaries of authority. The lack of definitive legislation and regulation in this area has caused significant conflict over the years and is considered to be one of the major weaknesses of Panama's higher education system (IADB 2003; Bernal 2002).

This issue of official accreditation is an on-going concern, though the country has made progress over the past decade by participating in the broader Central American discussion on standards and accreditation and initiating steps to create an autonomous body in charge of higher education quality assurance. In 1995, the Panamanian Council of Rectors (CRP) was created and the body was entrusted with the mission of coordinating the university entities and developing and initiating the implementation of a national accreditation organization. In 2003, Panama hosted the conference for and participated in the foundation of the Central American Council for University Accreditation (CCA). And in November 2006, following discussions with and input

from the Central American Higher Education Council (CSUCA), the CCA and the Ibero-American Network for Accreditation of Quality in Higher Education (RIACES), the National Council for the Evaluation and Accreditation of University Education of Panama (CONEAUPA) was established. CONEAUPA is now in the process of establishing the administrative and operational activities necessary to initiate the evaluation of all Panamanian universities and colleges, both public and private (Tunnerman 2006; WES 2007).

This section highlights some of the landmark legislation and accords that have shaped the Panamanian university legal and regulatory environment, contributing to the vision the country is developing for its university system. A more detailed annotated chronology of higher education legislation appears in Appendix 2 and this topic is further developed in Chapter 7.

#### **2.3.4 Selected Statistics**

Panama spends more on education than the average Latin American country. In 2006, the budget assigned to the education sector (which includes the Ministry of Education, the public university system, and the four national institutes of culture, sports, special rehabilitation, and human resource development) totaled \$809.4 million, or 5.8 percent of GDP; the amount designated for the Ministry of Education alone is the equivalent of 3.6 percent of GDP, or 8 percent of the total public budget (CONACED 2006; PREAL-COSPAAE 2007). Estimated expenditure per student per year is \$619 for secondary education and \$1,343 for university education (CONACED 2006).

The Panamanian government spends a total of 5.8 percent of GDP on education of all levels (CONACED 2006). Nearly all Panamanians (94 percent) of primary school age

are enrolled and 92.5 percent of the age group completes primary school. At the secondary level, 57.8 percent of those in the corresponding age group are enrolled and of those, only half complete their studies. University level study has progressed from the 7 percent enrollment rate prevalent in the 1950s to a current rate of 25 percent.

Nevertheless, there are significant socioeconomic discrepancies as only 3 percent of the poor attend university compared to 31 percent of the non-poor (PREAL-COSPAE 2002). University enrollment for 2005, in both public and private institutions, totaled 120,000 students, with 80 percent attending public universities and 20 percent attending private universities. This represents 31 percent of the population in the 18-24 year-old age bracket, which is significantly higher than the Latin American average of 19 percent. Not all of those enrolled go on to graduate, however; at present, estimates indicate that just under half of the registered university students finish their studies and earn a degree (CONACED 2006).

Figures on professors' educational levels are less than adequate, particularly for higher education. Ministry of Education estimates indicate that less than a third of all primary teachers hold a university title, but that more than three-quarters of the high school teachers hold some kind of university certification in the subject they teach (CONACED 2006). Few, if any, of these university titles correspond to graduate studies. Similar figures are not available for university professors, but various reports inform that most are teaching with Bachelor degree equivalents (Bernal 2001, IADB 2003).

#### **2.4 Conclusion**

The beginning of 1990 heralded a new era for Panama. With the ouster of General Noriega, the return to democracy, and the expansion of the country's services

sector, Panama reentered the international economy and began to grow into a formidable regional business hub. The international market and Panama's transport sector have driven much of this growth, either directly or indirectly. Mega-projects involving the Panama Canal, the container ports, the railway and the Canal Free Zone have coincided with unprecedented growth in the local airline industry, travel and tourism, and construction to bring about a boom in Panama unmatched by any other point in the history of the country.

Since 1990, the nation's GDP has nearly tripled, GDP per capita has more than doubled, the workforce has grown by over 40 percent, and foreign direct investment has posted an average annual growth rate of more than 60 percent (World Bank WDI 2006). This boom, while economically promising, is also concerning for a number of reasons—among them, the fact that Panama may not be prepared in terms of infrastructure or human capital for this extraordinary growth (Euromoney 2006), and that sustainable human development figures for the same time period do not appear to be progressing proportionately (UNDP 2006). For example, figures for the Gini index (56.4) and the portion of the population living below the poverty line (nearly 40 percent) remain virtually unchanged over the past two decades (World Bank WDI 2006). This type of continued imbalance is related to the development and utilization of the country's human capital. Thus, education at every level—and particularly at the university level—is a major concern from the perspectives of both human development and competitiveness.

The 1990s and the start of the new century saw higher education in Panama and the region move in unprecedented directions. New universities and institutes, both public and private, were established and the academic offer diversified considerably. The public

Panamanian university system grew from a single institution to five, while the array of private universities registered grew exponentially from a handful in 1990 to the 90 registered today (Registro Publico 2007). Enrollment has nearly doubled from what it was in the 1980s and there has been an increase in the number and type of undergraduate and graduate degrees offered, even at the doctoral level. The legal framework has also been modified (especially with Law 34 of 1995 and Decree 50 of 1999), which has allowed for a certain degree of modernization.

Panama has begun to actively engage—at the national, regional and international levels—in efforts aimed at examining and evaluating the structures and processes of higher education. Examples of this include the country’s participation in the Tuning Latin America project and the Central American Higher Education Accreditation Council (CCA) and its creation of such domestic bodies as the National Education Council (CONACED), the Council of Rectors (CRP), the Office for the Coordination of Tertiary Education within the Ministry of Education, and the National Council for University Accreditation (CONEAUPA).

In spite of these indications of progress, a number of important concerns persist. Primary among these are weaknesses inherent in the systems in place for university recognition, evaluation and accreditation; the quality of the university offer and its preparation of students for the labor force; and the link between the university system and the public and productive sectors—all of which have serious implications for Panama’s competitiveness in the world economy. The quality and relevance of human capital and knowledge generated by universities is becoming ever more critical to Panama and all of Latin America’s social and economic development. As high-income developed countries

are constantly raising the stakes, the nations of the region are still dealing with these longstanding problems of under-developed institutional, physical and human higher education resources that pose a serious threat to their ability to compete (World Bank 2005).

### **Chapter 3 – Literature Review**

As noted in the introduction, a broad range of literature on higher education would be relevant to this study; I focus here on three general research topics pertinent to the specific issues of global forces, higher education and the development of the Panamanian university system. These topics are (1) the recent global political and economic trends affecting higher education worldwide; (2) the analysis of the effects of globalization on higher education systems; and (3) studies of the university system in Panama. The literature review is divided into three sections, corresponding to each of these issues.

The section on global political and economic trends explores worldwide tendencies among and across regions that are influencing both the global priorities for higher education and the aspects of the marketplaces in which they are participating. The literature on global priorities looks at political drivers toward convergence, harmonization and increased mobility of university systems. Particular emphasis is given to Europe's Bologna Process as this initiative has invested significantly in not only pursuing convergence for European universities but also instilling this process in developing regions around the world as a means of securing worldwide harmonization and market share. It is also the process that catalyzed subsequent movement toward higher education convergence in Latin America. The literature on more market-driven trends examines how economic drivers such as technology, the demand for "knowledge" services, and the recent inclusion of services in World Trade Organization accords, among others, have contributed to shaping higher education systems around the world. This global trend



literature is more descriptive in nature and provides the backdrop against which this study is conducted.

The section on the analysis of globalization and its effect on higher education systems presents and reviews frameworks developed for isolating and studying factors associated with the impact of global forces on local higher education systems. This section also includes a review of selected research on developing countries' higher education systems, which brings out some of the recent tendencies surfacing in the study of less established national systems. The literature in this section is more analytical in nature as it tries to determine potential causes for or influences on the changes observed in the development of national higher education systems.

Finally, the last section of the literature review examines a series of studies done on the Panamanian university system over the past decade.

### **3.1 Global Political and Economic Trends Affecting Higher Education**

This first section reviews literature related to the major political and economic trends in higher education internationally that are helping to shape global higher education priorities and markets. These in turn affect the development, directly and indirectly, of national university systems worldwide. In examining this global context within which higher education is evolving, it is helpful to begin by defining some of the terminology employed to describe recent phenomena.

#### **3.1.1 Terminology**

The terms presented below are some of those that appear most frequently in the literature. I include them here with definitions that correspond to how they are commonly

used in the bulk of the literature reviewed or how they relate specifically to this investigation.

#### **3.1.1.1 Globalization**

First, the term “globalization” itself takes on a myriad of meanings depending on its context but is perhaps best explained for this project in its broadest sense as “the growing integration of economies and societies around the world” (World Bank Group 2008). More often, experts portray globalization as the product of the growing global economy, the expansion of transnational economic links that create new forms of collective decision-making, the development of intergovernmental and supranational institutions, the intensification of transnational communications and the emergence of new regional orders (Held 1999; Friedman 2006; World Bank 2008). The process of globalization is seen as obscuring national boundaries, shifting alliances within and between nations, and dramatically changing the basis of national and interest group identities. While all of this has occurred before, what is new in the past couple of decades is not so much the essence of globalization itself as its scale, scope and intensity (Torres and Shugurensky 2002).

#### **3.1.1.2 Globalization of Higher Education**

With regard to higher education, most university systems have always been global in nature and closely tied to international occurrences and circumstances (and, in many cases, to colonialism); nevertheless, the volume, range and complexity of this international involvement have all increased dramatically over the past two decades. Additionally, the link between higher education and global economic systems has intensified considerably, which has further implications for education in the marketplace. For the purposes of this

study, the globalization of higher education is defined as “the global economic, political and social forces that directly and indirectly affect the development of higher education systems.” This definition is in accordance with Altbach’s (2007, pp. 25-26) reference to “the broad economic, technological, and scientific trends that directly affect higher education and are largely inevitable in the contemporary world,” but expands upon it to include a broader range of relevant political and social influences.

### **3.1.1.3 Higher Education and Universities**

Higher education is a broad and often ambiguous term, though it generally refers to any of the types of education available in postsecondary institutions of learning that usually afford a named degree, diploma, or certificate of higher studies at the end of a prescribed course of study (Encyclopedia Britannica 2006). This includes study at a college, university, or any variety of professional school or technical institute, and builds on the level of knowledge and competence acquired in secondary education. The exact definition of this secondary level varies among countries, however, which means that concepts of higher education have also tended to vary (UNESCO 1997).

The description of a university is more specific: “an institution of higher education usually comprising a liberal arts and sciences college and graduate and professional schools and having the authority to confer degrees in various fields of study” (Encyclopedia Britannica 2006). Generally, the period of study is also a condition, with a minimum of three to four years required for a conventional undergraduate degree and anywhere from one to five or more additional years required for a graduate degree. Traditionally, universities have also been associated with a sense of responsibility for the public good--through the preservation of books and documents in libraries, the generation

of basic research, and the provision of service to local communities, for example—though this characteristic is now causing a great deal of debate with the arrival in recent decades of such a diversity of contemporary institutions that call themselves universities (Altbach 2005). This study examines all institutes in the Panamanian market that are publicly registered as universities granting undergraduate and graduate degrees.

#### **3.1.1.4 Internationalization**

“Internationalization” is another term widely utilized by educators today that generally refers to either 1) the inclusion of international and intercultural elements in the various aspects of the domestic educational system (curricula, teaching and learning processes, research, extra-curricular activities, etc.), or 2) the development of transnational or cross-border educational opportunities, which involve students, teachers, scholars, programs, courses, curriculum, and projects moving between countries and cultures (Knight 2003). The aim of either application is intended to foster the development of international understanding and intercultural skills within the context of educational pursuits.

Internationalization can also be regarded as the specific means undertaken by governments, academic systems, and individual departments or institutions to cope with or exploit globalization while still maintaining a significant degree of autonomy and initiative. As such, internationalization (along with multinationalization or transnational education, as described in the section below) is often pursued by university systems in developing countries in an effort to improve access to resources, application of standards and measurement processes, degree recognition and marketing potential. From the other side, more developed countries’ universities might seek such opportunities in order to

access bigger markets and create additional revenue earning channels (Altbach 2004; De Wit 2002).

#### **3.1.1.5 Multinationalization and Transnational Education**

Related to the concept of internationalization and reflective of recent market trends in higher education is the more specific term “multinationalization,” which is used in connection with academic programs or institutions from one country being offered in other countries, generally for commercial purposes. Often this involves co-sponsored collaboration, but not always. Examples of multinationalization include joint-degree offerings among institutions in two or more countries, the establishment of offshore institutions through franchised or branch operations, and online course delivery (Altbach 2004).

“Transnational” (or “cross-border”) is a fourth, more general descriptive that educators are applying to a wide range of educational activities related to international academic linkages and agreements, international development and aid projects, and international commercial trade initiatives. This terminology serves to indicate movement--physical and virtual--across national borders for commercial and non-commercial purposes (Knight 2003).

#### **3.1.1.6 Harmonization**

The term “harmonization” originates in music and refers to a simultaneous combination of notes in a chord; from there, the definition has expanded to “agreement in feeling or opinion; accord” (American Heritage Dictionary 2000). The term was popularized in connection with higher education in the Sorbonne Declaration, a document signed by the ministers of education of France, Germany, Italy, and the United Kingdom

in 1998 that claimed to be a "joint declaration on harmonization of the architecture of the European higher education system," and which laid the groundwork for the Bologna Process. Following the signing of the Sorbonne Declaration, the Association of European Universities and the Confederation of European Union Rectors (CRE) prepared its first study on "Trends in European Learning Structures" (2000) which highlighted the complexity and diversity of European curricular and degree structures. Perhaps as a consequence of documenting the complexity of the issue, while the Sorbonne Declaration spoke extensively of harmonization, both the subsequent CRE study and the resulting Bologna Declaration avoided this word, reiterating the need to respect national diversities, while simultaneously working to remove barriers and develop a framework for teaching and learning that would enhance mobility and closer cooperation (de Wit 2000). Even so, the word "harmonization" continues to surface frequently in higher education convergence efforts—in Europe and elsewhere--particularly in the more operational Tuning Project resulting from the Bologna Process.

#### **3.1.1.7 Convergence**

The dictionary defines "convergence" as "the act, condition, quality, or fact of converging; the tending toward an intersecting point; the coming together from different directions" (American Heritage Dictionary 2000). As noted above, it began to surface as common terminology in the international higher education arena following Europe's Sorbonne Declaration as a less controversial alternative to "harmonization." The term is used repeatedly throughout the Bologna Process documentation and the Tuning Project includes it in its glossary, noting that, "Convergence involves the voluntary adoption of suitable policies for the achievement of a common goal. Convergence in the architecture

of national educational systems is pursued in the Bologna Process” (Gonzalez and Wagenaar 2005).

#### **3.1.1.8 Accreditation**

The term “accreditation” is frequently used—and misused—in the monitoring of higher education quality. Because of the varied interpretations associated with accreditation, UNESCO offers the following definition in an effort to bring about a degree of uniformity within the sector worldwide:

“The process by which a [non-] governmental or private body evaluates the quality of a higher education institution as a whole or of a specific educational programme in order to formally recognize it as having met certain predetermined minimal criteria or standards. The result of this process is usually the awarding of a status, of recognition, and sometimes of a license to operate within a time-limited validity” (Vlasceanu et al 2004, p. 19).

The United States’ Council for Higher Education Accreditation (CHEA) offers a more specific definition in line with established U.S. standards for collegiate accreditation and explains it as a process based on self- and peer assessment for purposes of public accountability and improvement of academic quality (CHEA 1998). For CHEA, the accreditation of an academic program or an entire institution typically involves three major activities: 1) a self-study by the faculty and administrators of the institution or academic program using the accrediting organization’s standards and criteria as their guide; 2) a review by a team of peers selected by the accrediting organization; and 3) a review of the evidence and peer recommendations by the commission of the accrediting organization and a communication of the judgment made to the institution involved.

The U.S. model is worthy of note because it has the longest tradition of non-public higher education accreditation and, as a result, more information is available on the application of this model than on the application of any other. Also, as other countries begin to move in the direction of higher education accreditation, many are establishing systems that incorporate elements similar to those found in the U.S. example.

### **3.1.1.9 Recognition**

Another term related to accreditation is “recognition.” And as with accreditation, this term has also been used—and misused—frequently in association with higher education objectives, which has propelled UNESCO to include it in its glossary of terms as the following:

“Formal acknowledgement of (i) individual academic or professional qualifications; (ii) programmes of a higher education institution; and/or (iii) quality assurance agencies, by a competent recognition authority that acknowledges certain standards and/or values with respect to special purposes that indicate the consequences of recognition” (Vlasceanu et al 2004, p. 54).

Recognition is usually of a cross-institutional or cross-border nature and its objective is generally validation with a view to facilitating mobility related to educational and/or employment activities.

### **3.1.1.10 Quality Assurance**

Quality assurance is a much more nebulous term. In relation to higher education, it usually refers to an ongoing, continuous process of monitoring and evaluating the quality of a higher education system, institutions, or programs. It acts as a regulatory mechanism, concentrating on both accountability and improvement, and produces information and



assessments based on established criteria and processes. Quality management, quality enhancement, quality control, and quality assessment are means through which quality assurance is ensured and they all depend on the existence of the necessary institutional mechanisms (Vlasceanu et al 2004).

Quality assurance varies from accreditation, in that the former is a prerequisite for the latter. In reality, the two terms may be used interchangeably or may vary considerably from country to country, though both imply certain consequences in connection with the rights to operate and provide educational services, award officially recognized degrees, and, in some cases, receive state funds (Vlasceanu et al 2004).

### **3.1.2 Trends**

This section looks at the global trends of the past two decades that have particularly impacted higher education development. Most of these are driven by either politics or economics or a combination of the two. In the case of the more economic, market-driven trends, many of these are closely linked to the increased application of technology and its ability to diminish the importance of physical distance. All of these trends, though, have influenced—and continue to influence—both higher education content and delivery.

#### **3.1.2.1 The Push Toward Higher Education Convergence**

A critical factor shaping the globalization of higher education is the emergence of new international agreements being negotiated to harmonize higher education priorities, systems and services within and between regions. With the exception of North America<sup>1</sup>,

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<sup>1</sup> North America has been less active than the rest of the world in pursuing convergence of higher education systems and structures with other regions. Even from the perspective of trade, the North American Free Trade Agreement (NAFTA) and successive bilateral agreements include few implications for higher education (Altbach 2004). This may reflect a North American

most regions of the world are currently engaged in a series of discussions that are directed toward intra- and inter-regional higher education harmonization and convergence accords, the general objectives of which tend to include the following:

- Convergence (inter- and intra-regional) of programs
- Harmonization of curricula
- Facilitation of student and faculty mobility
- Implementation of quality assurance mechanisms
- Increased attractiveness/competitiveness of programs.

The global political forces that have driven much of the international and regional higher education agreements, declarations, accords, and even definitions over the past two decades are closely linked to the Bologna Process, Europe's ongoing effort to create a unified European Higher Education Area. In fact, the Bologna Process is generally regarded as having led the movement toward international agreements on varying types of university standard convergence across the world (Charlier and Croche 2004). For Panama, in particular, the significance of the Bologna Process is that it spearheaded the Florianopolis Declaration of 2000, which brought the countries of Latin America together in a similar initiative for the first time, which then began to affect national legislation and regulation governing higher education. For the rest of the world, the Bologna Process has catalyzed initiatives similar to Florianopolis in Asia, Africa and elsewhere.

The Bologna Process—including its accompanying Tuning Projects—is roughly a decade old at this point and has been thoroughly documented in various languages, mainly by the various governmental and academic groups that have been involved as participants

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perception of superiority and dominance in this area, which would seem to be upheld by even those outside the region since much of the higher education convergence activity worldwide is moving in line with established U.S. standards.

(Reichert and Tauche 2005; EUA 2006; Beneitone et al (eds.) 2007). A more detailed review of key Bologna Process issues and points will be provided in Chapter 7, but here it is worth noting that since much of the literature on the process has been produced by participants who have a vested interest it cannot be considered as thoroughly objective.

For a more holistic view of the Bologna Process, the official documentation must be processed along with some of the more recent commentary from others (mainly outsiders) who have begun to critique the process. This includes the European Student Union, which has been instrumental in noting the sometimes-significant differences between what is reflected in the priorities coming out of the various Bologna summits and what is really happening in the participating countries' university systems. Differences in application of agreed upon standards, lack of measures preventing "brain drain" to Western Europe, and weak curricular reform that results in degrees of ambiguous value to both the students and the labor market—these are some of topics touched upon by the group (EBIS 2007). Other scholars and organizations are also beginning to be more vocal about observed discrepancies. Robertson (2006) writes on the highly political and EU-driven nature of the process, despite attempts to make it appear as though all aspects of the initiative stem directly from individual countries and institutions. Charlier and Croche (2004) stress the (1) "weak legitimacy" of the process that results from its dependency upon a network of institutions that are both competitive with each other and yet held together by certain common authorities; and (2) the unabashed European financing and promotion of the entire process out of purely competitive interest. And Europe's Academic Cooperation Association has instituted a series of seminars that is at once critical of the process but also promoting of an open discussion platform among

academics on how to resolve some of the increasingly apparent difficulties (ACA 2006).

As the Bologna Process has influenced the international higher education community to move in the direction of convergence, harmonization and the corresponding quality assurance issues, international organizations have stepped up their participation in the matter of globalization and higher education as well. In 2002, UNESCO launched The Global Forum on International Quality Assurance, Accreditation and the Recognition of Qualifications in response to emerging ethical challenges and demands by the international community that UNESCO take a more proactive role with regard to the impact of globalization on higher education. Through this initiative, UNESCO has reviewed regional developments in the revision of the recognition conventions and incorporated these into the UNESCO/OECD guidelines on quality in cross-border provision of higher education (UNESCO 2004). While work remains to be done on this effort toward quality guidelines, it at least represents a start for a global reference and also a new role for UNESCO in the process of higher education convergence.

### **3.1.2.2 The Power of Technology**

While the trend toward higher education convergence has been predominantly political, the application of technology to various aspects of higher education has been more economically driven and has, subsequently, impacted a number of other tendencies that have affected recent development of higher education. Globalization and information technology (IT) are inextricably connected, with the Internet serving as the primary vehicle for the globalization of knowledge and communications (Castells 2000). As a result, IT has serious implications for higher education in relation to 1) online learning, with anything from syllabi and course materials to full courses and entire degrees now

available through distance learning initiatives; 2) publishing and copyrights, as nations, institutions and individuals continue to debate intellectual property ownership issues; 3) information storage and retrieval, as full libraries are now available electronically; and 4) networking and research and development collaboration, as groups of scholars from different countries simultaneously join forces to work in partnership on new knowledge generation. Sir John Daniel (1998, 2001) was among the first to write about the ways in which IT and knowledge media might contribute to the renewal of universities, particularly through the further development of distance learning. He has also advocated for the harnessing of IT more effectively to stimulate the development of higher education in developing countries. He cites as a laudable example the Massachusetts Institute of Technology (MIT) decision to put some of its courses online for the benefit of teachers and students worldwide, extrapolating that with efforts such as these “students in Mumbai, Dakar or St. Petersburg will be able, at the click of a computer mouse, to download the content of classes being taught at [MIT]” (2002).

Others (Noble 2001; CHEA 2003; Brown 2006) have concentrated on the more negative potential for application of IT to higher education, specifically, the proliferation of “diploma mills,” organizations (most often operating digitally) that award academic degrees and diplomas with little or no academic study and without the recognition of official accrediting bodies. Because these organizations function internationally and have created a problem that transcends borders, various U.S. agencies have now developed websites to inform the public about which institutions are accredited and which are not (Noble 2001). This has not been done in most countries outside of the U.S., however, and is a particularly difficult problem for developing regions where the concept of

accreditation agencies is a relatively new concept.

### **3.1.2.3 The “Knowledge Economy”**

The increasing importance of technology and the speed with which it allows for the transfer and processing of information has given rise to the evolution of the “knowledge society” or “knowledge economy”—a broad term that generally refers to society focused more on the production and management of knowledge than goods for economic benefit. Interestingly, Peter Drucker (1966) first popularized the term in his book *The Age of Discontinuity*—prior to the advent of the Internet and the major technological advances of the 1990s—and wrote that it signaled a global paradigm shift. This shift is now reflected in increasing global capital investment in knowledge industries (including higher education and training) worldwide and the expansion of the services sector, particularly those classified as advanced business services (or “producer services”). These are the services that are directed at businesses and governments as opposed to individual consumers; that typically include such business support functions as banking and finance, insurance, IT, legal services, real estate, and media and communications; and that have now replaced manufacturing as the leading global economic sector (Sassen 2001). With the growing dependence of many economies on knowledge products, highly educated personnel have become critical for continued growth (Altbach and Knight 2006; Friedman 2006). This has had the effect of linking higher education to earning potential in many societies, leading to increased demand for higher education (Thomas 2004).

#### **3.1.2.4 Services as Commodities: WTO and GATS**

With the expansion of the services sector and its increasing importance in terms of global GDP, it is not surprising that the global economic community is seeking to include services in the jurisdiction of global trade regulation. The Global Agreement on Trade in Services (GATS) is the first multi-lateral agreement on trade in services (the General Agreement on Tariffs and Trade (GATT) covers trade in products) and, though not yet fully formulated and with numerous complex details to be resolved, it is important not only because of its potential scope and influence but also for what it indicates about globalization. It has been in existence since 1995, covers the 145 member countries of the WTO, and seeks to open markets for all service and knowledge products. Education is one of the 12 primary service sectors, and higher education is one of the five education sub-sectors. Conceptually, the GATS premise positions knowledge and education as commodities on par with rice and computer chips—an idea that is discomfiting to many.

Negotiations on all services began in 2000 and following the initial deadlines for agreement on general parameters, the majority of nations have yet to release a formal statement on any service sector, with education emerging as one of the least committed sectors. Though the mechanism for negotiating the GATS differs from that for the GATT (services are negotiated separately from each other on a sector-by-sector basis), services were lumped with the agricultural and non-agricultural goods negotiations of the most recent set of Doha Round negotiations, which suffered such severe setbacks in 2003, 2005, and again most recently in July of 2008. Thus, GATS progress has been slow and key articles and disciplines--such as those dealing with subsidies, domestic regulation and government procurement--remain under negotiation. Individual countries determine the

degree of market access to allow for each of the sub-sectors; however, due to the most favored nation principle, all countries must be treated equally in terms of market access and national treatment for the services covered in the scope of the agreement (ACE 2007).

The GATS negotiations carry significant implications for relations between developed countries, the chief exporters of education, and developing countries, the main importers. Additionally, much uncertainty continues to exist about the coverage and implications of GATS in education, fueling a wide range of opinion and debate on potential benefits and risks. Most of this debate revolves around issues related to quality assurance, professional mobility and recognition of qualifications (Knight 2003).

#### **3.1.2.5 The Internationalization of Higher Education**

The rise of technology, knowledge societies and knowledge industries has had an internationalizing effect on higher education worldwide as well; institutions now link beyond nations and beyond regions with a speed and fluidity not witnessed previously. The scholar who has published most prolifically in the area of higher education internationalization is Philip G. Altbach, Director of the Boston College Center for International Higher Education (CIHE). The CIHE functions as a sort of clearinghouse for scholars around the world on the subject of international higher education and provides an extensive database of literature. Most of Altbach's publications tend to be descriptive and offer a more topical treatment of specific issues, but he is unquestionably the academic in this field that covers the most breadth on the topic.

Because this push toward internationalizing began with and has been most promoted by developed countries, one accompanying result of this has been a high percentage of corresponding knowledge products produced in English. English has now



become the main language for academic communication in journals, Internet networks, research and even international conventions. This is especially true for study at the graduate level, where the growing use of English as a medium of research and instruction appears to be stimulating interest in international programs offered by universities in English. (Altbach and Knight 2006).

The combination of widespread IT accessibility and increasing use of English is also escalating the usage of common textbooks, course materials and syllabi worldwide. These materials are usually from the large academic systems of developed countries—particularly the United States, the United Kingdom, and France—and are influencing the internationalization of curricula and the global homogeneity of certain instruction. Fields such as business, IT and biotechnology, for example, are almost entirely dominated by the major academic centers of the North and the English language (Altbach 2004). Similar influence over the internationalization of curricula is also evident in the growing number of countries considering the inclusion of general education in first-degree higher education and the international community's endorsement of this tendency (Task Force on Higher Education 2000).

Along with the internationalization of curricula and other aspects of higher education has come the creation of a global education marketplace, as is evident from the multitude of multinational higher education programs now available. These programs range from co-sponsored “twinning” arrangements linking two or more academic institutions in different countries to franchising agreements to universities in one country setting up branches in another. Online distance learning programs offer yet another means through which the multinationalization of higher education is taking place. And

while some traditional public higher education institutions have invested in these multinational educational initiatives, the major players have come primarily from the private sector (Altbach 2004).

Another trend surfacing in connection with internationalization and the emerging global education marketplace is that of increased migration and mobility. Currently, there are more than 1.5 million students studying outside of their home countries and large numbers of scholars and scientists constantly traveling abroad for teaching and research commitments. Most of this flow moves from South to North. Around 80 percent of international students come from developing countries to study in the large academic systems of developed countries (mostly for graduate and professional degrees) and similar tendencies can be noted for academic talent (Altbach 2004). Movements toward upward convergence of higher education systems and structures should contribute positively to this trend, though political realities and national security issues may act to negatively affect cross-border student and faculty mobility.

#### **3.1.2.6 Massification of Higher Education**

With the rise of the knowledge economy and the growing importance of services as described above, increased demand for higher education and rising enrollment have propelled a worldwide “massification” of higher education, particularly in circumstances where demographic trends have inclined toward a larger population of youth. In response to mass demand, the offer of higher education has expanded with the number of educational service providers continuing to grow.

The massification of higher education is the primary driving force behind recent trends and policy guiding the development of higher education worldwide at every level.

Higher education for more of the population, particularly in developing countries, often represents an unprecedented opportunity for social mobility and economic improvement. In nearly all countries, higher education increases income levels and therefore continues to be in high demand (Altbach 1999). With the increasing demand for higher education and its massification comes a new differentiation of academic institutions with a range of missions that operate at varying levels of quality.

With an expanding array of higher education providers, most high- and middle-income countries now educate over 30 percent of the relevant age group in postsecondary education (up from under 10 percent or less just a couple of decades ago). An accompanying reality of this massification is increased reliance on private higher education. Private higher education is now the fastest-growing segment of postsecondary education across the globe; in several Asian countries, nearly 80 percent of university enrollments are at private universities and in Latin America the figure oscillates between 20 and 40 percent, depending upon the country (Altbach 2007). And this new public-private mix includes not only universities; many of the new mass higher education providers are commercial enterprises offering postsecondary certification with often only marginal connections to traditional academic values as they are involved in the higher education business for the primary purpose of earning a profit as opposed to imparting knowledge.

### **3.1.2.7 “McDonaldization”**

The concern about the massification of higher education and its many service providers is linked to the commoditization of learning and the “McDonaldization” of higher education (Hayes and Wynyard 2002). The term “McDonaldization” was coined

by sociologist George Ritzer in his book *The McDonaldization of Society* (1995) where he describes how society has taken on many of the characteristics most associated with fast-food restaurants. Ritzer uses McDonaldization to reconceptualize rationalization, moving away from traditional thought and toward rational thinking and scientific management. He introduces the fast-food metaphor to represent the new direction in which contemporary global society is heading and emphasizes four principal components: efficiency, calculability (the ability to be quantified), predictability (through standardization), and control (often achieved with the implementation of mechanized, instead of human, processes) (Ritzer 1995).

Dennis Hayes and Robin Wynyard (2002) take Ritzer's metaphor and apply it to recent developments in university systems. The book they edited, *The McDonaldization of Higher Education* (2002), includes contributions from academics and authors from three continents all of whom examine the commodification of higher education from different perspectives in terms of Ritzer's four components of efficiency, calculability, predictability and control. One example cited is that of a tendency toward efficiency achieved through the introduction of multiple choice (as opposed to essay) exams in the U.S. or through the eradication of exams altogether in favor of continuous assessment, as in the U.K., both of which tend to lead to grade inflation with a higher percentage of students receiving higher grades (Hayes and Wynyard 2002). The concern throughout is for maintaining the position of the university as a liberal institution with the primary mission of pursuing, generating and disseminating knowledge.

However, while critics of McDonaldization equate the massification of higher education with a low cost, low quality, mass-produced fast-food-like product, others claim

that commoditization is the key for bringing advanced education and prosperity to ordinary people. They compare the evolution of university systems with the industrial shift from handwork to machine-made goods; products that were once handcrafted and expensive become standardized, mass produced and inexpensive, thus providing the populace with better access, more choices and increased freedom (Daniel 2002).

While the commoditization of higher education may not necessarily mean the commercialization of higher education but rather the ability to reproduce and adapt learning materials all over the world, some find the concept too much of a centralized, assembly line, one-size-fits-all, mass production model that does not contribute to or bring about profound forms of learning in the world (Andolan et al 2003). Regardless of how one views the potential commoditization of higher education and university learning, questions continue to surface about the capacity and qualifications of the graduates being turned out by the new systems.

### **3.1.2.8 Quality Assurance Measures**

As a consequence of massification, perceptions of McDonaldization, and the proliferation of new educational providers, issues of quality assurance are moving to the forefront as existing regulatory systems become overwhelmed and ill-equipped to deal with the present array of higher education alternatives (Thomas 2004). Countries establishing accreditation systems for the first time may find themselves in an even more difficult situation. And while quality assurance is a major concern within countries, it is becoming a bigger problem internationally. Critics deplore the low standards of many international higher education programs, but few have come forward to identify specific measures with which to gage quality (Altbach and Knight 2006; Bello 2003).

With escalating demand for higher education, it becomes increasingly difficult to supply the necessary instructors as well. This is especially true for developing countries where a large proportion of the academic profession is made up of part-time staff who teach a few courses and do not have regular academic appointments or official connections to a specific university. While many countries have made efforts to upgrade academic skills, massification has generally meant that qualifications have not kept pace with the need for teachers in the classrooms of the developing world. This is the norm for most Latin American universities, where full-time permanent staff comprise only a small fraction of the total academic labor force. Additionally, though university educated, many of these academics do not possess graduate degrees (Altbach 2002). Thus, from the standpoint of institutions, programs and instructors, the issue of quality assurance and accreditation is becoming progressively more urgent and, simultaneously, more difficult to manage.

### **3.1.2.9 Challenges for Developing Countries**

To complete this review of global trends affecting higher education and link more closely it to this study, it is important to mention their implications for developing countries. This is particularly pertinent since developing countries are the ones that will experience the bulk of the higher education expansion projected to take place in the coming years (Task Force on Higher Education 2000). Every topic touched upon previously—technology, language, quality assurance, internationalization, multinationalization, mobility and migration—carries with it for the developing world repercussions related to issues of center and periphery, and numerous scholars have discussed at length how the globalization of higher education has the potential to increase

the inequality gap, both within the developing countries themselves and between developing and developed countries (Torres Shugurensky 2002; Bello 2003; Garnier 2004). Since developed countries are better able to invest more in higher education and research and development, the major gains and the vast majority of corresponding publications tend to come from the developed world (Altbach 2002, 2004).

Higher education also has the potential to narrow the inequality gap. Nancy Birdsall (2005) asserts that the higher education is “the ‘right’ asset” for individuals everywhere in today’s global economy and shows how the returns to higher education have been steadily rising all over the world since the early 1990s. Bengt-Ake Lundvall’s work (2007) also links higher education to economic development through an analysis of how graduates contribute to learning and innovation in the new knowledge economy, though he cautions that the rate of return on higher education investment will be positively correlated with the rate of technical progress of the country, implying the need for a reasonably well established technical base. Given the technology base, he argues this higher education contribution can stimulate a “catching-up” response in developing economies and cites Japan, Korea and Taiwan as successful examples of this in past years. He also makes the case for how similar progress might occur with other developing countries that are already established in an upward trajectory of technological development.

Most developing countries, however—Panama included—face formidable obstacles with higher education and with utilizing it as a driver of the national economy. With demand for increased access projected to continue, both public and private sectors will likely persist in their attempts to meet the growing demand with a wide range of new

higher education alternatives. The result of these forces is often an accelerated, chaotic expansion, generally with the public sector lacking sufficient capacity for funding, technical expertise, and regulatory capacity and the private sector lacking sufficient facility for establishing quality programs that address requirements beyond short-term, market-driven needs (Task Force on Higher Education 2000).

Additionally, there is the threat of losing educated talent to developed countries for lack of adequate opportunities to keep them at home. “Brain drain” –or international transfer of highly skilled human capital resources from developing to developed countries—estimates indicate an overall tendency for migration rates to be higher for highly educated individuals. A number of countries—particularly small countries in Africa, the Caribbean, and Central America—have lost over 30 percent of this group to migration, with various developing countries in Asia posting sizable losses to migration as well (Carrington and Detragiache 1998).

Consequently, in order to participate in today’s knowledge economy, developing countries are left with the enormous challenge of expanding their higher education systems and, at the same time, improving their quality. Additionally, this must usually be accomplished within the context of tightening budgetary constraints, which has proven to be a daunting task for the majority of developing nations.

Panama is a developing nation that displays some manifestation of all of the above described global higher education trends. Over the past two decades, higher education convergence agreements, technology and knowledge services, massification and quality assurance challenges have all become increasingly pressing issues. And although Panama is a middle-income country with a solid resource base, a stable political environment, and



a growing economy, the developing country implications discussed above also continue to apply. Therefore, Panama's continued success depends upon its ability to build a higher education system that can work to develop its human resources adequately. This study takes a closer look at how these global trends have affected the development of Panama's university system in an effort to provide more input for managing them in a way that contributes to the country's sustainable development.

### **3.2 Globalization and its Effects on Higher Education Systems**

This next section of the literature review concentrates on research that has been done to analyze how the global trends described above impact the development of national higher education systems. The first portion of research examined is more theoretical and has produced a series of frameworks for analysis that, hypothetically, could be applied to the evaluation of any higher education system. These frameworks aim to isolate specific factors intrinsic in the global higher education trends along with specific factors inherent in the local or national environments being investigated to more precisely determine how particular combinations of these global and local factors lead to certain outcomes. The second portion of research examined is more applied in nature and relates directly to developing countries' experiences with the development of their university systems, which is also of relevance for this study on the Panamanian system.

#### **3.2.1 Frameworks for Analysis**

Though the work done on general global trends in higher education is considerable, there is still comparatively little theorization focused on the effects of globalization in higher education systems and particular universities; rather there is a widespread tendency to read globalization deductively into higher education from more

general theories on globalization (Mohamedbhai 2002, Marginson and Sawir 2005). Brian Yoder (2006) presents a table summarizing several higher education globalization theories (Beerkins 2003, Welch, 2002 and McBurnie, 2004) that illustrates this point and is included in Appendix 3. Though the theories expressed by the authors do not necessarily pertain only to higher education, they do offer explanations of how higher education is influenced by the range of conceptions of globalization—which include culture, economics, political and regulatory structures, technology and geography—highlighting the eclectic nature of both the existing definitions and theories of globalization, as well as their potential applications to the field of higher education.

In order to examine more precisely the higher education trends presented above as they relate to globalization and, in turn, to the changes that are taking place at the local higher education level, several scholars have begun to elaborate frameworks for isolating and analyzing specific factors that may determine how universal, global shifts manifest in the local setting (Vaira 2004, Douglass 2005, Marginson and Sawir 2005, Marginson and van der Wende 2007). Though such frameworks provide considerable potential for developing a better understanding of how global influences affect specific national higher education systems, there are still relatively few. And of the existing frameworks, even fewer have been applied to empirical studies, though global higher education research is beginning to move in this direction and acknowledge the need for the kind of tool that facilitates the interpretation of global change on local environments (Mohamedbhai 2002, Marginson and Sawir 2005, Yoder 2006).

John A. Douglass (2005) of the Center for Studies in Higher Education (CSHE) at the University of California, Berkeley, provides one of the more developed and workable

theoretical models designed toward this end. Douglass identifies and discusses the “countervailing forces” to globalization at play at the local, national level that help to explain the complexities of the effects of globalization and new instructional technologies on the delivery of and market for higher education services in different countries. Douglass acknowledges that globalization does spur substantial and often dramatic changes to national higher education systems, but he emphasizes that it does not influence all nations or institutions uniformly and is subject to local (or national and regional) influences, which are the forces that directly shape the systems of individual countries. These local countervailing forces are related primarily to (1) economic and political stability, (2) local supply and demand, (3) legislation and regulation, (4) culture and (5) internal academic culture and organizational behavior.

Douglass puts these countervailing forces within the global context of what he calls “mega-global forces” that correspond, in large part, to the global trends affecting higher education that were described above and which he portrays as bringing about an “institutional shakedown” for higher education. This shakedown will, in turn, promote organization changes in and/or the demise of a portion of the existing traditional higher education sector in a given county. He predicts little change for the elite, first tier institutions but increasing market changes with greater impact—and the largest effects on society—in the lower tiers (Douglass 2005). Douglass looks at the circumstances from the local point of view, focusing on the extent to which the local/national system is set up to thwart or weather any potentially negative or intrusive repercussions from the global forces in play. He does not pay particular attention to ways in which countries might take advantage of globalization to better the local higher education situation.

Additionally, Douglass only applies his model directly to the United States; application of the model to developing countries will obviously lead to very different results. Douglass does, however, discuss the higher education situation of China to illustrate some of the major differences between how the countervailing forces might affect developed and developing country university systems. A more complete presentation of the Douglass model is presented in the next chapter as part of the theoretical framework for this research.

Apart from Douglass (2005), other scholars (Marginson and van der Wende 2007, Marginson and Sawir 2005, Vaira 2004, Yoder 2006,) have presented various frameworks for identifying and analyzing factors that influence how global forces ultimately affect a given country's higher education system or the individual institutions within the system. Marginson and van der Wende (2007) in their recent OECD study on *Globalization and Higher Education*, put forth a composite of six interacting elements that "frame the possible global trajectories of systems, and individual institutions, and the potential benefits they gain from global operations" (Marginson and van der Wende 2007: 28). They focus more on the possible benefits of globalization for a given country rather than the potential force of impact of globalization as Douglass (2005) does. Though they do not conduct in-depth analysis on any particular country, they describe the elements of this framework as follows:

1. Geographical and economic position (of nations and institutions);
2. National higher education history, system organization, regulation, policy and resourcing;
3. Institutional history, resources and academic and organizational cultures;

4. Global capacities of institutions and of agents (such as governmental personnel);
5. National positioning-taking strategies in the global setting;
6. Institutional positioning-taking.

They contend (though not based on empirical analysis) that, all else being equal, higher education capacity in the global environment is positively correlated to 1) national wealth, 2) the quantity and quality of constructive government support for higher education institutions, 3) system size and 4) English competency. The intensity of global engagement is also affected by resource incentives, as evidenced by certain smaller nations that have been successful in their global strategies but at the price of high dependence on global resource flows. As a final observation, they note that outside the United States regionalization policies have strong potential strategic benefits (Marginson and van der Wende 2007). This purely theoretical framework is rather basic and not altogether operational; its strength has yet to be proven with an attempt to apply it empirically. Nevertheless, it does serve to highlight some of the local factors inherent in the development of a national higher education system that must be considered as potential facilitators or obstacles, along with some of the broader socio-economic factors that also serve to either aid or retard such development.

Marginson's previous work with Sawir (2005) on globalization and higher education produces another framework based on "global flows" that draws on the work of Castells (2000), Appadurai (1996) and Held et al (1999) on global networks. In order to apply these concepts to university systems, Marginson and Sawir emphasize the need to embed these flows in the history and agency (context and power structures) of individual institutions and study global linkages through examination of a collection of "scapes," or

areas—ethnoscapes, mediascapes, technoscapes, financescapes and ideoscapes—in connection with the impacts, transformations and power relations evident in the institutions. The researchers apply this framework to the cases of two contrasting national public universities, Universitas Indonesia and the Australian National University, through a series of interviews and find that in both the mutually conditioning techno/mediascapes and the ethnoscapes appear to be the flows most evident in the institutionalization of global practices, with ideoscapes providing additional input for shaping institutional reorganization and financescapes appearing relatively less directly important. They conclude that the “global flows” are useful for analytical purposes, but only when they are interpreted within the specificities of the context of the institutions being studied.

Marginson and Sawir’s (2005) research is useful for emphasizing the importance of technology, media and culture in the local setting with regard to the implementation (or lack of implementation) of global higher education concepts. It also lends support for the interview design as a strategy for gathering data from stakeholders in the higher education process to better identify tendencies and patterns.

Massimiliano Vaira (2004) suggests an alternative framework to take into account the effects of both global convergence (homogenization) and local divergence (individual differences) in the examination of the effects of globalization on higher education organizational change. His concept is based on “organizational allomorphy,” or essentially, the changing of form without the changing of fundamental constitution.<sup>2</sup> To this end, he presents five basic hypotheses in connection with increasing globalization (simplified here in line with Yoder’s (2006) interpretations):

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<sup>2</sup> The concept of allomorphy is more commonly used in linguistics and the arts.

1. The more government and universities are exposed to global ideas and practices, the more these organizations will incorporate the ideas and practices based on global economic and political norms.
2. Organizations such as the World Bank and UNESCO at the global level, the Ministry of Education at the national level, and universities at the local level will interpret and articulate institutional and competitive pressures differently at each level, translating and adopting global ideas and practices based upon the needs of their individual organizational structures.
3. Organizational responses to higher education globalization—regarding dissemination and governance--will be adjusted to fit pre-existing institutions and structures and will create national structures that conform to these responses but that are unique to the national environment.
4. Organizations respond to two types of pressure—*competitive*, which often requires improved efficiency and production, and *institutional*, which often requires structural or philosophical change—but the organizational change process is also influenced by the pre-existing organizational structure and practice.
5. Organizational performance will depend upon the degree to which organizational change is perceived to be 1) successful internally and 2) accepted externally.

Vaira's framework is ambiguous and dense, without the benefit of illustrative empirical examples to clarify its concepts. Moreover, Vaira does not distinguish whether all of these hypotheses carry similar weight or if certain ones are expected to be more impacting than others. He also seems to imply that even with considerable global

pressure, what is likely to change in a local or national higher education setting is more the superficial façade as opposed to the substantive fundamentals.

Yoder's (2006) application of the Vaira model to his research on globalization and higher education in Chinese universities helps to illustrate how it might be adapted for empirical research. Yoder operationalizes Vaira's hypotheses, concentrating on 1) change in governance/organizational restructuring of higher education, 2) accreditation and quality control, 3) transnational higher education, and 4) internationalization. He then challenges the image of higher education institutions as passive recipients of global pressures and practices by presenting evidence that national level interventions, resources, capacity and collaboration within organizational environments influence how universities globalize. From interviews with higher education administrators, university professors and government officials, he describes how the abovementioned four global patterns are incorporated into the organizational structure and practices of universities. Principal findings include the importance of the Ministry of Education's role and the time and extent of affiliation with international programs in determining how universities adopt and adapt patterns associated with globalization (Yoder 2006).

The results of Yoder's work again reiterate the power of the local decision makers with regard to the adoption of global higher education trends and standards. And, as with Marginson and Sawir (2005), Yoder demonstrates the value of interviewing higher education stakeholders as a means to better understanding points of constraint in the change process.

Despite their divergent approaches, conclusions that surface from the presentation and implementation of these various frameworks are that in contemplating the effects of



globalization on higher education with regard to specific local environments, local factors that must be acknowledged and examined include 1) the economic circumstances, 2) the technological circumstances, 3) the history of higher education and the public role in its evolution, 4) the legislative and regulatory environment, and 5) cultural idiosyncrasies, particularly with regard to communication, values and power structures. Another point that surfaces repeatedly is that neither convergence nor divergence theories of higher education are sufficient in themselves for explaining the local manifestations of globalization that are beginning to be documented and researched (Vaira 2004, Douglass 2005, Marginson and van der Wende 2007), thus necessitating the development of more extensive, complementary research mechanisms for broadening the perspective.

### **3.2.2 Additional Research on Developing Countries**

Other researchers have taken somewhat comparable approaches to those described in the section above in their attempts to account for economic, technological, political, historical and cultural differences in examining the local effects of globalization on the higher education systems of developing countries, even if they have not elaborated such structured frameworks for their analyses. Garrett's (2003, 2004) studies on China examine factors related to economic development, legislation and regulatory control, local demand-institutional capacity gaps, and cultural tendencies in an effort to describe globalization and the effects of international interaction on the current higher education system. From being the largest source of students studying abroad (sending over 63,000 students to the United States alone in 2002), China, following in the footsteps of other major source countries such as Malaysia and Singapore, has come to view foreign-sourced, in-country provision as potentially more cost-effective (in terms of both travel

costs and brain drain). To manage the potential foreign invasion this could unleash, recent legislation (March 2003) stipulates that international institutions must partner with Chinese institutions; partnerships may *not* seek profit as their objective; at least half the members of the governing body of the institution must be Chinese; the basic language of instruction is Chinese; and tuition fees may not be raised without approval (Garrett 2003, 2004).

While data on the scale of international university activity in China are scarce, Garrett indicates that the little evidence there is suggests rapid development. National sources indicate a total of 712 “approved” jointly run higher education institutions in China with the U.S., Australia, Canada, Japan, Singapore and the U.K. listed as the primary partners. China’s size, varying levels of official authorities, and inconsistent application of the rule of law, however, have led to a situation of both officially approved and non-approved international partnerships operating simultaneously, and with various types of approval. In 2002, the list published by the national Ministry of Education of approved higher education joint programs contained 67 partnerships covering 72 joint programs—or only around a tenth of 712 total mentioned above (Garrett 2004). This situation, similar in ways to that of Panama and much of Latin America, begs an important question: as a country becomes an important site for university education delivery from all over the world, with an increasingly complex mix of public and private partners, what are legitimate--and feasible--roles for national and international quality assurance agencies with regard to oversight activity?

Mok (2000) conducts a more comprehensive case study comparing the evolution of the higher education markets in Hong Kong and Singapore, which began to develop

earlier than China's and have reached a more advanced stage. Within the context of globalization, he describes the massification and growth trends of recent years (Hong Kong moved to increase the number of students entering university programs from 6 percent in the 1980s to 18 percent in the 1990s, and Singapore's university student population has increased sevenfold in the past 30 years) and the impact this has had on quality assurance measures. The Hong Kong case reveals that the recent quality assurance movement currently taking place in the university sector closely mirrors the heightened activity of Western countries in this area, whereas, Singapore is moving more slowly in a similar direction. Mok concludes that instead of being entirely shaped by global forces, Hong Kong and Singapore have expanded their directive powers over the public sector, as evidenced by recent higher education reforms. He takes this an indication that not all nations are choosing to respond to the globalization of higher education in the same way and that these individual differences in response will be because of specificities associated with national history, politics, culture, and economy (Mok 2000). This is a rather broad and obvious generalization, but it is supported by much of the research to date on the evolution of developing countries' higher education systems.

In Latin America, where the influx of private university education providers began even sooner than in Asia, thus propelling an earlier awareness of global influences, studies examining the effects of globalization and higher education began in the 1980s (Levy 1986). Most of the studies to date, however, have been predominantly descriptive in nature, have examined globalization and higher education from the state-market decision-making power perspective, and have tended to concentrate on the larger higher education markets of Mexico, Brazil, Argentina, Colombia and Chile (Levy 1986,

Schwartzman 1993, Torres and Schugurensky 2002, Tunnermann 2003, Thorn and Soo 2006). While such studies have laid the groundwork for higher education research in the region and posed important questions--related to how higher education might be financed within a context of dwindling public resources and increasing costs, how quality assurance might be managed, how access to higher education might be made more equitable, and how regional imbalances might be corrected--research in the region has not progressed to the point of isolating specific factors associated with globalization and determining their influences on particular local circumstances.

Additionally, research on higher education in Central America, in particular, apart from national studies on the state of affairs within a given country, has been minimal. Carlos Tunnermann, ex-Minister of Education in Nicaragua, former UNESCO representative in Latin America, and past president of the Central American Council for Accreditation (CCA), stands out as one of the very few prolific scholars on higher education in the sub-region of Central America who has attempted to document the evolution of the sector and opine with regard to future trajectories (Tunnermann 1997, 2003, 2006).

What recent studies on higher education in developing countries highlight, regardless of methodology or regional orientation, are the difficulties and opportunities facing nations around the world regarding the management of higher education massification. These difficulties and opportunities are directly linked to the monumental issues of financing, oversight, quality assurance and viability for human resource and market development. Interestingly, the issues are much the same for developed countries

(Altbach 2007), the only difference being that developing countries tend to have less of an established resource base with which to respond to these challenges.

### **3.3 Studies of the University System in Panama**

This last section of the literature review discusses the various studies done recently on the university system in Panama in order to present an idea of the types of documentation and analysis that have been done to date. Independent investigations on the university system in Panama—apart from those produced periodically by government agencies on basic statistics and infrastructure—have only begun to appear with any frequency in the last decade. This is largely because the growth of the university sector in Panama just started to take off in the 1990s; prior to this, there was not a great deal to study since the universities in Panama included a single public university (the University of Panama), a single private university (USMA, the Catholic university run by the Church), and a single U.S. branch university (Florida State University).

#### **3.3.1 Overview of Available Studies**

Since the year 2000, a dozen or more descriptive studies reporting on the current state of the university system in Panama have been published. More than half of these have been financed by international organizations or national NGOs. Some of the studies have a specific focus, but more typically they offer general overviews of some or all of the following: (1) a list of the officially recognized universities operating in Panama; (2) statistics on enrollment, state financing, completion rates, and courses of study, among other topics; (3) research and development activity; (4) the legislative and regulatory environment; (5) supply and demand; and (6) quality assurance measures.

Among the most basic of the reports sponsored by organizations outside the

government are two by Panama's Private Sector Council for Educational Assistance (or COSPAE, for its acronym in Spanish) published in 2002 and 2007, respectively, in which COSPAE teamed with the Program for the Promotion of Education Reform in Latin America (PREAL) to produce overviews of the state of education in Panama. Within these general reports are sections dedicated to higher education, which offer basic statistics and limited analysis but which also emphasize the low percentage of university enrollment among those living below the poverty line and, particularly, in the indigenous communities. The idea behind these reports is to produce them every five years in an effort to benchmark progress and begin a series of comparative documentation for the sector as a whole.

UNESCO's Higher Education Institute for Latin America and the Caribbean (IESALC) has also sponsored several specialized reports on Panama's university system in the last decade, as part of an effort to update comparative information on university systems throughout the region. These include a general overview of the whole university sector (Castillo 2003); a study concentrating on just the private universities (Franco 2005); and another study focusing solely on research activity, including but not limited to that of the universities (Rowe de Catsambanis 2005).

The general overview of the university sector (Castillo 2003) provides just that: a descriptive review that includes the list of the officially recognized universities operating in Panama; selected national statistics on university enrollment, demographics, financing, and courses of study, among other topics; a general description of the legislative and regulatory environment; and some limited reference to the lack of quality assurance mechanisms for higher education in Panama. Little analytic depth is provided and the

description, for the most part, is limited to the data provided in government agency reporting.

The study focusing on the private universities (Franco 2005) provides much the same thing only it excludes the detail on the public universities. There is a significant amount of data overlap in both of these reports, though neither of them goes beyond the list of “officially” acknowledged universities (those with Ministry of Education and University of Panama recognition) to examine the university sector in its current entirety as it is reflected in the Panamanian Public Registry. This is important, particularly in the case of the private university study (Franco 2005), because although the legally registered universities that are not officially recognized account for a relatively small portion of the student population at present, their numbers are growing significantly without any real means of controlling them and they represent a trend on the rise in Panama.

With regard to research and development (Rowe de Catsambanis 2005), Latin America is notoriously weak in this area, and within the region Panama is exceptionally poor. Brazil, the “star” of the southern hemisphere in this regard, reportedly spends close to one percent of GDP on R&D; Panama spends barely one-third of one percent. In the five years covering the period 2001-2005 in all fields of study, Panama disbursed only a little more than \$20 million—or just over \$4 million per year, on average—for research. And almost a third of the research reflected in those figures corresponds to that of the Smithsonian Tropical Research Institute (STRI). The insinuation here is that universities are very peripheral players in the national research effort.

The analysis behind Panama’s poor performance includes a list of explanatory factors including poor government funding and non-existent private sector funding of

research; lack of private sector confidence in the university system; emphasis on teaching over research in the universities; poorly trained research personnel at every level; lack of university integration with the rest of society; lack of appropriate infrastructure; and lack of supporting legislative norms (Rowe de Catsambanis 2005). The decade-old National Secretariat of Science, Technology and Innovation (SENACYT) attempts to address the research issue. With significant support from the current administration, SENACYT has launched initiatives to increase research budgets, foster international collaboration, and dedicated more funding to sending students and professors abroad for training. At the end of 2007, SENACYT was also successful in getting passed the requisite legislation to establish the Sistema Nacional de Investigación (National Research System), which people hope will grow into a Panamanian version of the U.S. National Science Foundation.

Another international organization that has funded an overview-style study of the university sector in Panama (Escobar 2006) is the Centro Interuniversitario de Desarrollo, (the Inter-university Center of Development, CINDA), an international non-profit organization started in 1971 and comprised of selected universities from Latin America and Europe (CINDA 2006). Though somewhat more detailed and analytical with regard to the current challenges facing the university sector, this study is very similar to the UNESCO IESALC sector overviews (Castillo 2003, Franco 2005). An additional point that must be stressed with regard to all of the UNESCO IESALC and CINDA reports is that the consultants in charge of their production were all professors or rectors of either the University of Panama or a private Panamanian university, not independent outside



researchers, which means the author's bias in each case must be considered in the processing of the information contained in the study.

Reports available on the university sector in Panama that were conducted by independent researchers outside of the Panamanian university system include (1) an Inter-American Development Bank (IADB) study (2003), which was done from the perspective of the labor market in evaluation of the university sector output as it related to the professional requirements of the Panamanian marketplace; and (2) an investigation by Juan Bosco Bernal (2001) of a Salvadorian private sector consultancy that examines the problems and challenges of the university sector. Both of these reports, though they too are primarily descriptive, are more complete, more professionally produced, and more methodologically rigorous than any of the international or national organizations' studies. They examine and discuss in more depth the difficulties faced by the Panamanian university sector with regard to gaps in coordination with the private sector; the inadequacies associated with the current professors, curricula and infrastructure; financing issues; and quality assurance mechanisms. In a similar vein, a recent White Paper on the labor market and higher education output produced by a local Panamanian consultancy (Goethals 2008) created headlines by inferring that over three quarters of Panama's top and mid-level executives held degrees from foreign universities.

### **3.3.2 Conclusion**

The unprecedented and exponential growth of the higher education offer in Panama over the past 15-20 years, particularly of the private universities, has stimulated an unprecedented documentation of activity in the university the sector and raised various questions and concerns. To synthesize the underlying messages conveyed in the collection

of recent reporting on Panama's university sector, there is general agreement that the quality and relevance of many of the programs offered in both private and public universities do not correspond to either the standards that are beginning to be defined internationally or the demands of the local labor market (Bernal 2001, IADB 2003, Goethals 2008). Investigators cite inadequate curricula, teaching, infrastructure and equipment as obstacles to providing the kind of training necessary for students to be productive in the current marketplace (UNESCO-IESALC 2005, COSPAE 2007). Additionally, there appears to be a saturation of programs in certain subjects, like business administration, and a lack of programs in other key subjects such as hard science, for instance. Finally, and perhaps most telling of all, research now suggests that as many as 80 percent of middle and upper-level corporate management in Panama hold a university degree from an institution outside of the country (Goethals 2008)—implying that the labor market does not consider a Panamanian university degree to be sufficient preparation for a position of any authority or managerial control.

The recent studies cited have served to expand the available documentation on Panama's university system and to call attention to some of its gravest deficiencies. None of the studies to date, however, have sought to examine either potential reasons for or specific factors contributing to these deficiencies. Neither have they examined the problem from the perspective of the combination of global and local forces that are working together to produce what is now available in the university sector in Panama. None of the studies to date have even considered all of the universities currently operating in Panama; rather they have concentrated on those that appear in the officially recognized lists—and these lists fail to capture a large number of legally registered university entities.

This research attempts to fill in some of those blanks. We must start by looking at all the institutes that now exist in the university sector—legally, officially and unofficially. The university system must be acknowledged as a product of both global and local influences, resources and constraints, and we must start to try to understand this array of factors and how they interact with each other as a means to developing more appropriate policy for the development of the university sector in Panama.

#### **Chapter 4 – Conceptual Framework**

This dissertation focuses on how globalization has affected the development of the university system in Panama over the past two decades and how stakeholders view the existing system and its contribution to the country's competitiveness. The goal of this chapter is to identify and explain the economic, political, and social forces of globalization that contribute to the recent development and operation of universities in Panama and perceptions of key stakeholders. This chapter presents the conceptual framework I use to guide the analysis at the macro level and set the context for the interviews at the micro level.

To develop this guiding framework, I integrate two major theoretical models—frame factor theory, as originally presented by Urban Dahllöf and Ulf Lundgren (1970, 1971), and the framework of countervailing local forces to globalization developed by John A. Douglass (2005). Elements of both theories are useful for identifying, organizing, and describing the economic, political and social factors in motion at various levels that have been influential in regulating and constraining the development of the university system in Panama. Frame factor theory provides a means for developing the parameters for the general spheres of interaction, and Douglass's framework of countervailing forces is helpful for analyzing the specific local forces or factors that influence university system development.

I select components of the frame factor theory and the Douglass framework to look at the following constructs and their relationships to one another: (1)

“globalization,” characterized as the cross-border economic, political and social forces associated with increased connection worldwide that have subsequently driven other global tendencies; (2) the global trends associated with the market and higher education that have emerged in the past two decades; (3) Panama’s post-1990 economic development and international higher education involvement; (4) the business opportunity and vision related to university education in Panama; (5) the university system itself as it now exists, representing an amalgamation of the abovementioned factors; and 6) the perceptions of key stakeholders with regard to the university system and its contribution to national competitiveness.

#### **4.1 Basic Definitions and Parameters**

Some basic definitions and parameters set the context for this investigation. Definitions and issues related to globalization, different territorial levels, and sectors of interaction help organize the concepts and provide the basic building blocks to guide the research.

##### **4.1.1 Globalization**

The term “globalization” is that upon which the study centers and in the previous chapter I presented various definitions of the concept: in general, as “the growing integration of economies and societies around the world” (World Bank Group 2008), and specifically with regard to higher education, as “the global economic, political and social forces that directly and indirectly affect the development of higher education systems” (Chapter 3, pp. 62-63).

In addition to these definitions, it is important to emphasize here the specific aspects of globalization that are most relevant to the development of higher education and

to this study. These are the connections with (1) internationalization, specifically the increasingly fluid cross-border movement and exchange occurring worldwide; (2) liberalization of trade, or the reduced barriers and broadening categories of goods and services governed by worldwide regulation; and (3) universalization, particularly in the quest for a certain convergence of definitions, standards and measures. These associations are important for both global market trends and higher education priorities since they are potentially the most influential aspects of globalization for university systems.

#### **4.1.2 Levels of Interaction**

As discussed earlier, the implications of global forces on national higher education systems depend to a large extent upon the factors inherent in the local environment. Therefore, to adequately describe the effects of global forces on a country's university system, we must also examine the local forces with which they interact since it is the combination of the two that determine the resulting dynamic and influence the development of the sector (Douglass 2005, Altbach 2006).

But even the terms “global” and “local” may be ambiguous and misleading. They are not nearly as separate and dissociated as the words imply. For this reason, and with a view to developing a broader understanding of the multiple influences linked to the development of university systems, scholars are beginning to recognize the importance of incorporating various territorial perspectives—provincial, national, regional, global—in their analyses (Marginson and van der Wende 2007, Marginson and Sawir 2005, Vaira 2004). In line with this reasoning, I examine four different levels of territorial interaction in this study: (1) global or worldwide, (2) regional (specific to Central America and, in

some cases, Latin America), (3) national (particular to Panama), and (4) systemic, related to the Panamanian university system.

In exploring the activities and developments at each level, the relationships between and among levels become easier to detect. Changes in global higher education accords, for example, often have an impact on regional interactions and agreements, which may in turn begin to affect regulation in individual countries. Likewise, changes in global economics often impact regional and national economies, bringing consequences for the higher education sector as well.

#### **4.1.3 Sectors of Interaction**

Along with the different territorial levels of interaction described above is a series of sectors of interaction—economic, political and social—that is critical to the development of university systems worldwide and in individual countries. The economic sector corresponds to the market activity, trends and business opportunities related to higher education. The political sector encompasses the regulatory activity, whether it is associated with global higher education priorities, regional involvement or national legislation and regulation. And the social sector of interaction comprises the culture and norms affecting higher education development. This last sector is often more ambiguous than either the economic or political sectors, but nevertheless, equally powerful—especially at the local level.

These economic, political and social forces operate at all levels, and each operates with a specific agenda. While existing studies on the effects of globalization in specific countries' university systems make reference to a variety of economic, political and social forces or factors, they do not group or separate them in an effort to determine

specifically where and how the varying agendas may converge or diverge. This study attempts to do that. It examines more precisely how economic, political and social forces operate, separately and together, to determine both the inherent business opportunity and the vision associated with higher education in a given country and how these are then reflected in the resulting university system.

#### **4.2 Application of Frame Factor Theory**

Given the working definitions of globalization presented above and the relevant territorial levels and sectors of interaction, frame factor theory—a model used frequently in educational research over the past four decades—presents a set of principles that are helpful for grouping and classifying the forces that act upon educational systems. It allows for a certain compartmentalization—or framing—of the factors to be examined, even as it acknowledges potential for overlapping and blurring of lines.

Frame factor theory was originally proposed in the late 1960s by Urban Dahloff (1970) and later expanded upon by Ulf Lundgren (1972, 1981). In the late 1960s and early 1970s, Urban Dahloff, a researcher from the University of Goteburg's Institute of Education, developed what he called the “frame factor” theory, in which he analyzed how the constraints and opportunities of teaching were shaped by physical and administrative factors to which it was subject, which were in turn tied to more general social, economic and political conditions, or frames (Dahllof, 1970, 1971). This theory brought to education research the supposition that no single phenomenon—teaching strategy, curriculum design, course content, the *modus operandi* of a department or university system dynamics—could be evaluated accurately without being related to the prevailing conditions and constraints of the broader environment in which it occurs (Bauer 1988). It



related educational process data to larger sociological studies about the impacts of different environments and also produced a systematic macro-model for examining the objectives of a specific process, structure or system under different frame conditions and describing final outcomes in terms of the interplay between the frame factors (Dahllof, et. al. 1971).

The frames serve the function of setting certain limits for the investigation. Changes within the frames are shown to promote or inhibit development in a variety of ways. The variables with the most extensive and pervasive effects—which are often the most indirect as well—are the frame factors. The frame factors themselves can be manipulated or influenced by distal or proximal forces. Ulf Lundgren (1972, 1981), one of Dahllof's students, tested many aspects of this model in extensive empirical studies of Swedish classrooms and documented the importance of frame factors to educational research at various levels (Walker 1976).

Subsequent applications of the theoretical model to educational reform policy (Lane 1983), Swedish higher education (Bauer 1988), the creation of a Taiwanese graduate institute (Arjona 1990), school management at the local level (Johnston 1992), and elementary school class formation (Burns and Mason 1995) provide considerable evidence for both the far-reaching applicability of the frame factor model and its flexibility. Lundgren's work with Kallos (1976) on identification of prominent frame factors at the system level of education suggested that the frames could be either distal (higher order and more distant) or proximal (of a closer, more immediate nature). This aspect of the frame factor theory makes it attractive for application to analysis of globalization effects on higher education as all of the factors mentioned in previous

sections in connection with studying the local effects of global forces can be classified into one of these categories and examined more precisely from that particular perspective.

I use frame factor theory here to provide the parameters for the general spheres of interaction, in terms of both the territorial levels and the economic, political and social sectors. As noted, the categorizations are broad and often overlapping, but they allow for a degree of compartmentalization, which in turn makes it easier to identify the origin and nature of specific influences on the development of the university system.

#### **4.3 Influencing Factors (or Forces)**

Within the frames of different territorial levels and sectors of interaction presented above, there are a number of specific factors or forces at work that influence the development of a country's university system.

At the international level, these factors are related primarily to the issues covered in Chapter 3 on the global political and economic trends affecting higher education worldwide. These trends include the push toward convergence of standards and norms, the application of technology, the emergence of the "knowledge" economy, the consideration of services as commodities in recent WTO and GATS accords, the internationalization of higher education programs and curricula, the massification of higher education, and the increasing importance of quality assurance measures. These issues were discussed in the literature review of the preceding chapter.

At the national level, the factors operating to influence the development of the university system are principally those connected with the business opportunity associated with higher education and with the vision being created for higher education

through the country's various international accords and national legislation and regulation. The framework developed by John A. Douglass (2005) of the Center for Studies in Higher Education (CSHE) at the University of California, Berkeley that was introduced in the last chapter provides a useful tool for looking at these factors at the national level and for examining the developments and relationships inside, between and among the frames of territorial levels and sectors laid out above. This model details the specific factors that interact at the local (or national) level and contribute directly to shaping a country's higher education system, and thus provides for a more precise categorization of these factors, which may be working in tandem, in parallel or in opposition to one another. The next section describes how Douglass' model is applicable to this study.

#### **4.4 Application of the Douglass Model of Countervailing Forces**

Douglass identifies and discusses the “countervailing forces” to globalization at play at the local, national level that help to explain the complexities of the effects of globalization and new instructional technologies on the delivery of and market for higher education services. He notes that while globalization does indeed spur substantial and often dramatic changes to national higher education systems, it does not influence all nations or institutions uniformly. The reason for this, in his view, is that globalization is subject to local (or national and regional) influences and these are what directly shape the systems of individual countries (Douglass 2005).

Douglass's view of the global higher education paradigm focuses on eight interconnected factors—which he terms “mega-global forces”—that he feels are key influences on any and all higher education systems:

1. Changing Recruitment Markets for Students and Faculty
2. International Networks of Academic Researchers Replacing National and Institutional Cultures
3. International Collaborations (for expanding research and market options)
4. Trend Toward Organizational Convergence (as with the Bologna Process)
5. Instructional and Computer Technologies Opening New Markets and Bringing a Revolution in Traditional University Organizations
6. Rise of Non-Traditional and Alternative Competitors
7. Repositioning of Existing Institutions into New Markets and Mergers
8. International Frameworks Related to Education Services (Bologna/WTO/GATS).

Although they are categorized differently, the major issues involved in these influences are basically the same as those related to the global trends mentioned above and discussed in more depth in Chapter 3. Douglass asserts that these mega-global forces combine to create problems for the traditional sector of universities and in particular for the public sector, which has been the dominant higher educational force in most countries.

He also puts forth that “shifts in circumstances” brought on by 1) the growing imbalance between available resources and market demands, 2) the unpredictability and pace of the market, 3) the importance of flexibility and creativity taking precedence over permanence and stability, and 4) the culture of traditional academia being too conservative either to protect or to broaden its market niche, will have the effect of bringing about an “institutional shakedown.” This shakedown will, in turn, promote organization changes in and/or the demise of a portion of the existing traditional higher

education sector in a given county. He predicts little change for the elite, first tier institutions but increasing market changes with greater impact—and the largest effects on society—in the lower tiers (Douglass 2005).

According to Douglass, what will determine the nature and extent of the effects of globalization and the mega-global forces on a country's higher education system will be the local "countervailing forces," which he identifies as the following:

1. Economic Wealth and Political Stability: Advanced, Aspiring, Developing
2. Balance of Existing Institutional Providers and Local Market Demand
3. Nation/State Regulation and Initiatives
4. Cultural Pride, Biases, and Needs Not Served Directly by Global Providers
5. Internal Academic Cultures and Organizational Behavior
6. Counter-Intuitive Factors: IT/Internet as a Force for Globalization/Market Control.

Applying this model to the U.S. higher education system and using a rating system of 1 (low) to 10 (high) to reflect the degree of influence of each, Douglass presents the sample evaluation below (Table 13). I have added the commentary to synthesize his comments on how globalization is affecting and influencing the institutional behavior of the U.S. system relative to each factor.

**Table 13**  
**U.S. Countervailing Forces Scores**

<b>Countervailing Force</b>	<b>Score (1-10)</b>	<b>Implications for the effects of globalization on higher education</b>
Economic Wealth and Political Stability	9	The U.S. is high on the scale of economic wealth and political stability, which has allowed for the country's early pioneering and investment in mass higher education and its promotion of both public and private colleges and universities.
Match Between Institutional Capacity and Local Markets	9	The U.S. offers perhaps the broadest array of institutional types in the world, many of which enjoy solid reputations and are linked to national, state and regional objectives and resource bases.
Nation/State Regulation and Initiatives	5	State governments have the power to charter institutions and are responsible for funding their own university network operation. No state has a higher education policymaking and funding ministry, but each has its own mix of public institutions and governance structures, resulting in dispersed power. There is a range of quality assurance regulations and demand for greater efficiency, but the scale of initiatives and lack of a central government agency to insure implementation contrasts with typical EU regulation, for example.
Cultural Pride, Biases and Needs	9	Numerous quality universities and a tradition of cultural and political isolationism result in few students studying abroad. There also is a strong sense of ownership over curriculum linked to perceived cultural and economic needs of the U.S.
Academic Organizations' Resistance to Change	8	U.S. universities rate high on resistance to change, but this should be qualified by noting the broad charge given to U.S. public universities and by reiterating their tradition of expanding services through new semi-independent units.
Counterintuitive Factors		(Not included for U.S. analysis.)

Source: Douglass 2005.

Overall, the U.S. scores high, indicating significant resistance to outside providers and relative stability of the domestic higher education market. Douglass concludes his analysis of U.S. countervailing forces by noting that in contrast to most other countries, U.S. public institutions were chartered early on to meet far-reaching higher education mandates that included increased access, academic degree programs, and research relevant to local and national economic interests—issues that many other countries’ higher education systems are just beginning to deal with. U.S. institutions have also demonstrated considerable organizational flexibility over time, which has helped them maintain a strong core of faculty and educational activity and made them more resistant to the potential influence of globalization, particularly with regard to changes in pedagogy and curriculum. Economic stability and wealth, the scale and diversity of its higher education, and its reputation for quality has insured that relatively few post-secondary U.S. students look outside of the nation’s borders for university options. These factors also make the U.S. attractive to foreign students and institutions and businesses seeking collaborative relationships—all of which favorably positions the U.S. as a net exporter of higher education services (Douglass 2005).

Application of the Douglass model to developing countries will obviously lead to very different results. While it appears the model has not yet been applied systematically to a developing country, Douglass does refer to the higher education situation of China to illustrate some of the major differences between how the countervailing forces might affect developed and developing country university systems. He notes how in China—where new levels of economic wealth and political stability are beginning to reshape the country--the demand for higher education is rapidly growing without sufficient existing

institutions of quality to meet national needs (a situation which is also the case for Panama). In response, the Chinese government has chosen to address the problem by welcoming outside providers through joint ventures with specific conditions and requirements, even as it attempts to build its own system—apparently planning for a stronger national university network for the future (Douglass 2005).

For Panama, I apply the following of Douglass's forces (with slightly different labels) to my investigation in order to define and describe the factors that work within the economic, political and social frames presented in the schematic above to influence the development of the university system:

- Economic Wealth and Political Stability
- Supply of Existing Institutional Providers and Local Market Demand
- National Regulatory Environment
- Internal Academic Culture and Organizational Behavior
- Cultural Pride, Biases and Needs.

At the local (national) level within the political frame, the specific factors I examine are (1) national regulation (for legal establishment and for recognition of universities) and (2) quality assurance measures; within the economic frame, the specific factors I look at are (1) market demand, (2) institutional supply, and (3) the client base; within the social frame, the factors I consider are the (1) academic culture and (2) academic power structure. The examination of these factors and the constraining effect of each with regard to university system decision-making provides the structure for the analysis of the current university offer in Panama.



#### **4.5 Framework of Analysis**

Based on the schematic presented above of frames demarcating territorial and sector interaction along with the specific factors operating within those frames to shape and constrain university system development, I have developed a framework to guide the research. With this framework, I produce both a descriptive study of the existing university system in Panama and an analysis of key stakeholder perceptions on the university system and its contribution to Panama's competitiveness, which is critical for the country's continued development.

The framework begins with a characterization of “globalization” as the cross-border economic, political and social forces associated with increased connection worldwide that have resulted in more widespread internationalization, trade liberalization, and a certain “universalization” or convergence of norms—across sectors and across regions. In the area of higher education, these forces have impacted at the global level both the economics of higher education in the world market and the politics of higher education with regard to the specific global priorities being developed, both of which have subsequently influenced the development of university systems worldwide.

Thus, I first examine the meaning of globalization in relation to the economics and politics of higher education worldwide. In looking at the economics, perhaps the most important of these tendencies over the past two to three decades is the massive application of technology which, in turn, has driven other trends such as the marked increase in the growth of advanced business services (accounting, advertising, and legal and strategic consultancy, for example); the inclusion of services in the WTO framework;

the emergence of the “knowledge economy” that depends primarily on intellectual—as opposed to industrial—labor; widespread use of English as the international language for doing business; and a massification and multi-nationalization of higher education as a business. Each of these major trends is discussed in the literature review and has directly or indirectly affected the development of higher education around the world.

In looking at the politics of higher education at the global level, a major contributor to the shaping of higher education systems worldwide is the series of convergence accords within and between regions. This convergence process was catalyzed by the Bologna Process, its plans for a unified European Higher Education Area, and its attempts to encourage Latin America, Asia and Africa to follow suit. These efforts have motivated initiatives around the world that aim at a harmonization of higher education curricula, ease of mobility for students and faculty, standardization of quality assurance mechanisms, and improved competitiveness of higher education institutions. These aims, in turn, have affected and guided global higher education priorities forming a collective global political agenda for higher education.

While the economics and politics of higher education at the global level have evolved in somewhat of a parallel fashion, they are intrinsically intertwined as well. Many of the global higher education priorities that have emerged in the past two decades are based on desires to improve competitiveness (World Bank 2000). This means that to understand the motivations and objectives of the global political agenda for higher education, we must also examine and understand the global higher education marketplace.

Global economic and political forces have helped shape markets and push forward higher education agreements and policy not only at international levels but also at national levels, often influencing individual country's policies and legislation—particularly in developing regions. For this reason, the analysis of global higher education economics and politics must be linked to developments at the national level. The second strata of my framework takes this into consideration and examines both economic development (with emphasis on Panama's growing services sectors, its positioning as a regional business hub, and its utilization of the reverted Canal Zone areas in the wake of the U.S. military departure) and Panama's political involvement in Bologna-related higher education regional accords, projects and organizations such as the Central American University Council (CSUCA) and the Central American Accreditation Council (CCA).

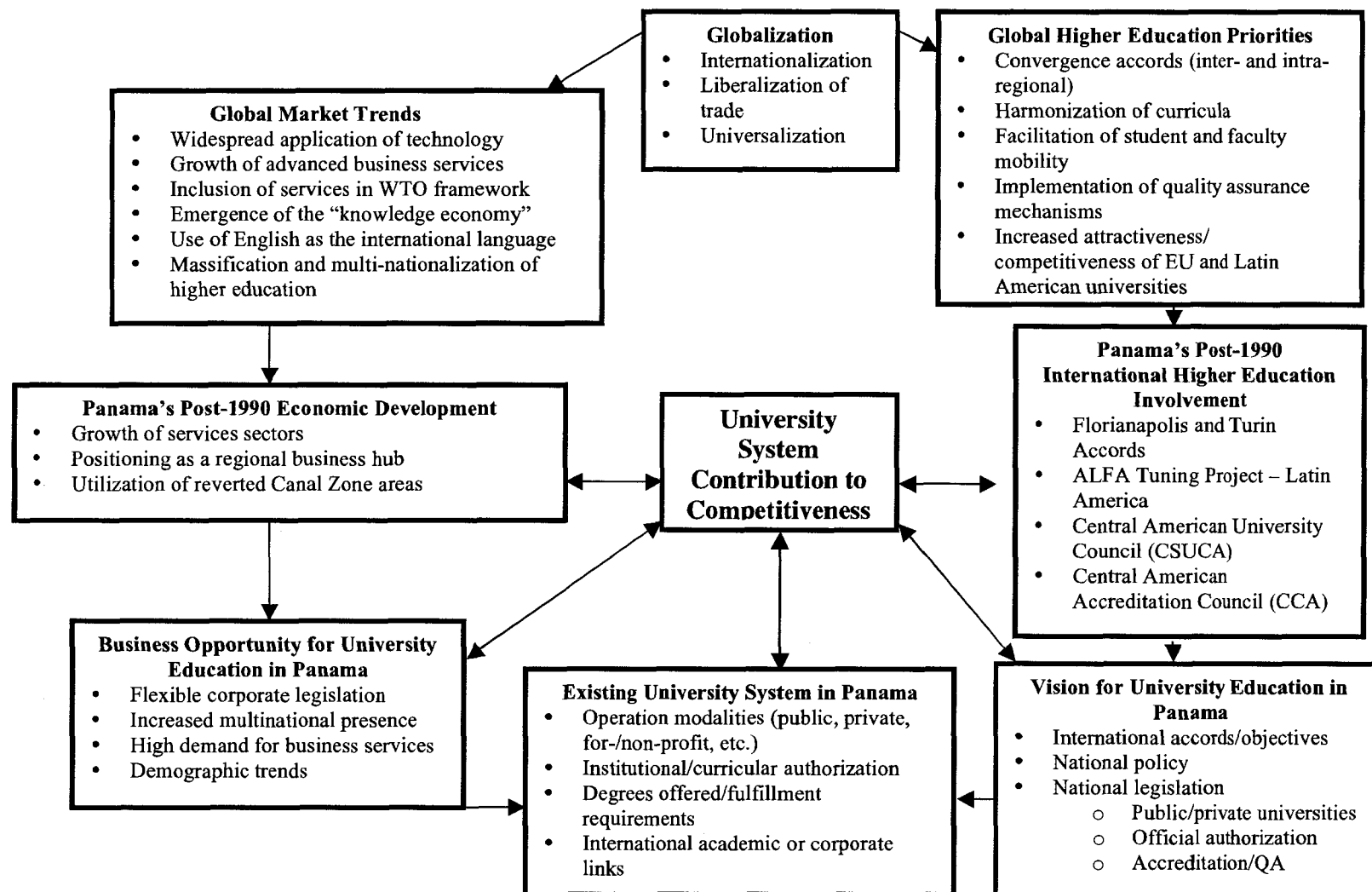
I examine the Panamanian market developments and political higher education affiliations to better understand the evolution of both the business opportunity associated with university education and the vision for university education that Panama is advancing through its various international accords, national policy, and legislation and regulation. In this dissertation, I describe these two economic and political forces—the business opportunity and the vision—their origins, and how they have acted in conjunction with the inherent social forces to influence the development of the university sector in Panama and create the university offer available today.

The existing university system in Panama is the final level of analysis in the framework. In examining the university system, I look specifically at the range of operation modalities (public, private, for-/non-profit, etc.) for existing institutions, the

institutional and curricular authorization for each institution in the system, the array of degrees offered and the various fulfillment requirements, as well as the international academic and corporate links developed by many of the universities. I also look at the perceptions of key stakeholders to better understand perceptions of the university system's strengths and weaknesses and what these imply for its contribution to the country's level of competitiveness. This last link to competitiveness is important as it establishes the connection between the university system and its capacity to advance national development, which is of particular concern to Panama as a developing country.

Below is a diagram of the framework as I have described it in the preceding paragraphs. It represents the basic structure I have used to guide the analysis at the macro level of this investigation and to set the context for the analysis of stakeholder perceptions at the micro level. It lays out the constructs examined at both the global and local (national) levels that have been influential for shaping the development and composition of the Panamanian university sector. It provides the platform and sequence for working toward the objectives of the investigation, which were (1) to identify the nature and implications of globalization with regard to the development of the university system in Panama; (2) to establish a framework for analysis of the current university offer; and (3) to provide inputs for educational policy formulation.

**Figure 6**  
**Framework of Analysis – The Effects of Globalization on the Panamanian University System: 1990-2007**



#### 4.6 Research Questions

Given the basic conceptual framework introduced in the preceding sections, the specific research questions that have emerged to investigate how global economic, political and social forces from 1990 onward have interacted with the local environment to affect the development of the university system in Panama are the following:

1. How many and what types of universities are available?
2. What factors have contributed to shaping the regulatory environment of university education?
3. What factors have contributed to making university education an attractive business proposition?
4. How are the regulatory and business factors reflected in the current university offer?
5. What are the current perceptions of business, government, academic and civil society leaders regarding the strengths, weaknesses, opportunities and threats associated with the university offer?
6. What are the implications of these perceptions for Panama's competitiveness?

These questions form the basis for collecting the data from the document and secondary data analysis as well as from the interviews. The combination of documental, statistical and perceptive interpretation of these factors, individually and collectively—and what this implies for Panama's competitiveness—is what provides the depth and breadth for the story that emerges from the information recorded. The next chapter details the methodological strategies that I use to answer these research questions.

## **Chapter 5 - Research Methods**

This chapter presents the research methodology. The investigation is designed as a case study and incorporates both qualitative and quantitative data to present a descriptive review of how global and local forces have interacted to shape the structure and composition of the university system in Panama. Specific methodologies applied include document and secondary data analysis and semi-structured interviews with representatives from selected university system stakeholders. These stakeholders include actors at both the national and regional levels, and this chapter details the demographics for each sample.

Non-probability, purposive sampling techniques were used and data analysis was conducted on four separate territorial levels: global, regional (Central America), national (Panama), and individual (with representative leaders from the major stakeholders in the Panamanian university system). The combination of different levels of analysis helps present a more complete view of all of the forces at play in the development of the university system in Panama and the particular spheres of influence for each.

This chapter also discusses some of the methodological issues and limitations related to the study that are associated with generalizability, confidentiality, time constraints, bias and the politicization of the public universities.

### **5.1 The Case Study Design**

The overall research design is based on the embedded, single-case study put forth by Robert K. Yin (2002). The general case study is appropriate as a research design when

“a *how* or *why* question is being asked about a contemporary set of events over which the investigator has little or no control” (Yin 2002, p. 9). These are the conditions put forth here, with (1) the overall research question guiding this study: *how has the process of globalization from 1990 onward affected the development of the university system in Panama?*; and (2) the contemporary set of events including both recent trends in the globalization of higher education and Panama’s increasing global ties and international development over the past couple of decades.

The justification for selecting a single case design relates to Yin’s (2002) rationale of the *revelatory case*, in which the researcher has access to a situation that was previously inaccessible to scientific observation and through which the descriptive information produced will be use to bring forth new insights. Because the growth of the university system in Panama has occurred at such a rapid pace, with the associated documentation scattered among numerous and not necessarily consistent sources, this study represents the first attempt to (1) gather the relevant data from its varied origins and consolidate into a snapshot of the current situation, and (2) design a structure for analysis of the system, which will be relevant beyond the current moment and also beyond Panama.

The dependent variable in this study is the Panamanian university system. The independent variables that act upon the university system are a varied assortment of global, regional and national forces that have contributed to the vision for university education that Panama is constructing and to the business opportunity associated with university education in the local market. As noted, this research is mainly qualitative; therefore, there is little attempt to control the variables, as would be the case with a more



quantitative study. Rather, as Adrian Holliday's (2007) writing suggests qualitative research should do, it invites an array of variables to surface and investigates them openly.

The embedded nature of the proposed case study comes from the fact that more than one unit of analysis is involved. This investigation examines the Panamanian university system as a whole along with the perceptions of selected leaders of individual institutions representative of specific types of universities and business, government and civil society organizations related to and interested in the Panamanian university system. Additionally, since the research focuses on the effects of globalization, factors at the global and regional levels are analyzed as well to give a more complete view of all of the forces at play in the development of the university system in Panama.

Panama is chosen as the site for this research for two reasons. First, as indicated previously, it is a highly globalizing economy (A.T. Kearney 2007) with a growing service sector of increasing importance, which implies a need for university-trained personnel. It demonstrates a proliferation of (mostly private) universities in recent years at the same time as significant inadequacies of the system are being documented (Bernal 2002, IADB 2003, UNESCO-IESALC 2005). Panama's competitiveness has risen steadily in recent years (WEF 2006), but is now at a critical juncture for the future and the capacity of its human capital will determine much of the course of the country's development (UNDP 2002). Therefore, information on globalization and the university system and how it relates to competitiveness is timely and essential.

Secondly, while the extent to which and the speed with which global interconnection, service sector prominence, and massification of university education are

converging in Panama is exceptional, the general circumstances are not unique. Most of Central America—and much of the entire Latin American region—faces a similar situation, as was illustrated in Chapter 1. Thus, a framework and methodology for analyzing how globalization is affecting the development of the university system helps to identify factors that may contribute to creating more competitive university systems, not only for Panama but likely for other countries in the region as well.

The period of 1990-2007 is chosen because 1990 marks the “rebirth” of Panama as a democratic nation governed by elected officials (without the influence of a military dictator) and the beginning of the country’s accelerated globalization and economic growth. Additionally, most of the major international efforts aimed at higher education convergence have occurred within the past decade or two, making the 1990-present time period the most active in terms of the globalization of higher education as well as of the Panamanian economy.

## **5.2 Data Collection Strategies**

Multiple sources of evidence were used to address a broader range of historical, attitudinal and operational issues: documentation, secondary data and key informant interviews. The multiple information sources allow for triangulation of data and for the compensation for possible deficiencies in one or another of the data collection strategies (Yin 2002). The triangulation of data also allows for increased reliability of the study. The documentation and secondary data serve to provide the general descriptive data on the existing university offer and substantiate the factors contributing to Panama’s vision for university education and to the business opportunity that university education represents in the local market. The in-depth interviews provide qualitative data on

perceptions about the effectiveness of the university system and the implications of this for the country's competitiveness.

### **5.2.1 Document and Secondary Data Analysis**

The documentation reviewed includes legislative and regulatory documents; official agreements, treaties and contracts; public registry records; agendas, minutes and reports of meetings and events; administrative documents (proposals, progress reports and other records); memos and other communiqués; newspaper articles, websites and other mass media communication. In addition to providing contextual background, the information collected in this phase was used to create (1) an annotated chronology of national laws governing Panamanian university education along with the major international higher education accords in which Panama has participated (Appendix 2) that details the elements comprising the regulatory environment for higher education and shape the vision that Panama is developing for its university system; and (2) a matrix framework for university system analysis that provides a descriptive inventory of all universities registered and the specific characteristics under which they are operating (Appendix 1)—these are described more extensively in the next chapter.

Secondary data collected for the research include statistics for the 1990-2007 period on demographics; GDP per capita; average salaries relative to degree of education; university enrollment; and the number of universities registered as corporations. These figures provide the information on recent economic trends conducive to the consideration of university education as a profitable business opportunity in the local market.

### **5.2.2 Key Informant Interviews**

In-depth interviews with key informants from selected universities and government, business and civil society organizations form the body of primary research associated with this study and provide the bulk of the qualitative data used for examining the hypotheses presented on perceptions of strengths, weaknesses, opportunities and threats of the current university system and the implications of these for Panama's competitiveness.

The interview was selected as a data collection strategy because it is one of the most powerful ways in which we can try to understand humans and the systems we create, particularly when we are primarily concerned with the "how" of the story and especially if we are interested in the political influences involved (Fontana and Frey 2005). Interviews with leaders that have helped shape the development of Panama's university system—directly and indirectly, at the local and international level—or have been closely involved with some aspect of it provide important insights beyond what is recorded in documents and statistics. Nearly all of the leaders interviewed indicated a high level of interest in the results of the study, which is understandable given that they represent (or work closely with) the primary decision makers involved in the future of the Panama's university system. Additional support for the validity of the interview as an appropriate method for this study comes from the fact that somewhat similar studies on the effects of globalization on local university systems (Marginson and Sawir 2005; Yoder 2006) have also utilized interviews with university system stakeholders as a means of collecting useful data.

### **5.3 Description of the Samples and Data Collection**

UNESCO identifies six stakeholder groups in higher education—governments, higher education institutions/providers, student bodies, quality assurance and accreditation bodies, academic recognition bodies, and professional bodies—and also acknowledges that since the distinctions among these stakeholders are made on the basis of function, the different functions may not necessarily belong to separate bodies (UNESCO 2005b). These are the stakeholder groups selected for inclusion in the interviews for this study at both the international (regional) and national levels. Regional and national organizations that correspond to these six functions serve to form the broader sampling frame. Because the entire list of organizations in these categories is relatively short, in Panama and even in the region, a purposive sampling strategy was employed.

Purposive sampling is appropriate for selecting “information-rich” examples for in-depth analysis on the central issues being studied. It is also useful for achieving maximum variation sampling that seeks to capture major themes that cut across participant variations. Both of these conditions correspond to the context of this investigation. As is the case for all non-probability sampling methods, purposive sampling does not produce a sample that is statistically representative of the larger population, but it can produce a reasonable representation of the relevant leaders or decision makers connected with the particular research being conducted—particularly since it is often a useful strategy for studying key subsets of a clearly defined and relatively limited group (Singleton and Straits 1999), which is the case for Panama.

Leaders from regional as well as national organizations were included because of the study's focus on the effects of globalization. Since the regional level sits between the national and the global, it offers a vantage point from which to view some of the ways in which global issues are "processed" prior to filtering down to the national level. This perspective also adds a comparative dimension through which we can look at Panama relative to its neighbors and better understand which higher education issues are unique to Panama and which are similar throughout the region.

For the regional perspective, all interviews were conducted through the Central American Council for Higher Education Accreditation (CCA, the organization's acronym in Spanish). The CCA was chosen as a base for recruiting the regional sample, in part, because it is an organization that has grown out of certain aspects of the globalization of higher education—namely the Bologna process—and it is the organization most closely connected with the issues of university sector growth and quality assurance in the Central American region. Through the combined interest of the Central American University Council (CSUCA) and the Ministries of Education in the respective countries of the region—and with the backing of the European Union Education Commission—a series of conferences was launched to bring together government officials, public and private university presidents, and existing accreditation and quality assurance bodies in the region in an effort to create consensus and establish the basis for the CCA and the joint regulation of higher education in Central America (CCA 2007). Thus, the CCA offers a unique platform from which to measure perceptions on the globalization of higher education and how it is influencing regional activity in Central America.

Additionally, the structure of the CCA Coordinating Board includes representatives from (1) specific stakeholder sectors—public universities, private universities, the Ministries of Education, the professional entities, and the student population—which correspond well with the UNESCO based higher education stakeholder model, and (2) all of the Central American countries represented (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama)—the combination of which form the perspective of Central America as a region. Since these representation positions are nationally appointed, there is a political element involved, but since the pool of higher education experts in each country is relatively small these appointments also tend to be a reasonably true representation of the existing capacity in each area.

A total of 14 interviews were conducted with CCA country and sector representatives, the Executive Director, and two regional consultants in the fields of higher education reform and accreditation and quality assurance. A profile of the participants appears below (Table 14). While this purposive sample cannot be considered to be representative of the larger population, it does present a relatively balanced mix in terms of gender, nationality and sector affiliation, given the current composition of the CCA. Nevertheless, within the CCA it must be noted that as a result of the group's current composition, in terms of countries, input from Costa Rica (and to a lesser degree El Salvador) dominates and in terms of sectors, input from the public universities prevails. Both of these issues contribute to certain undercurrents of tension within the CCA and will ultimately need to be addressed directly and in a more balanced fashion if the organization hopes to be true to its mandate and adequately represent Central America as a whole and integrated region.

**Table 14**  
**CCA Interview Participant Profile**

	<b>Sex</b>	<b>Nationality</b>	<b>CCA affiliation</b>	<b>Sector of employment</b>
1	M	Costa Rican	Representative, Ministries of Education	University (public)
2	F	Costa Rican	Executive Director	University (public)
3	M	Guatemalan	Representative, Guatemala	University (public)
4	M	Costa Rican	Representative, Public Universities	University (public)
5	M	Nicaraguan	Representative, Public Universities	Government; Int'l Organization
6	F	Salvadorian	Representative, Private Universities	Government
7	M	Salvadorian	Representative, Professional Entities	Private sector
8	M	Salvadorian	Representative, El Salvador	Private sector
9	F	Guatemalan	Representative, Student bodies	University (public)
10	M	Costa Rican	Consultant (Higher Education Reform)	International Organization
11	F	Panamanian	Representative, Panama	University (public)
12	F	Nicaraguan	Representative, Nicaragua	University (public)
13	F	Chilean	Consultant (Quality Assurance)	International Organization
14	M	Costa Rican	Representative, Costa Rica	Government

For the national interviews, the sample was constructed in line with the same six UNESCO identified higher education stakeholders: higher education institutions/providers, student bodies, quality assurance and accreditation bodies, academic recognition bodies, and professional bodies. Because of a certain degree of functional overlap<sup>1</sup> and the decision to broaden the student category to include other civil society opinion leaders as well, the organizations and individuals targeted for

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<sup>1</sup> The academic recognition function falls within the jurisdiction of other public entities, namely the Ministry of Education and the University of Panama.



interviewing were divided into four categories: universities (public and private), government, quality assurance bodies, and private sector and civil society<sup>2</sup>.

The sampling frame for the university leaders contains all the public universities and all the universities listed in the Panamanian Public Registry (Appendix 1). From this list, a selection of universities from the different operating modalities<sup>3</sup> was chosen to form the sample. Criteria for the selection of specific universities within the different operating modalities included—but was not limited to—accessibility, length of time in the market, and breadth of program offer. The resulting group of nine universities and one university foundation represents over a third of the entire national interview sample, 10% of all universities registered in Panama, 25% of the officially recognized universities, and roughly three quarters of the current national university enrollment. In total, 25 national interviews were conducted.

Apart from the universities, the selection of organizations for the remaining categories was simpler as there are only several major national players in each area. Table 15 below lists the domestic organizations selected for interviews in each of the stakeholder categories. One representative per organization was interviewed and this representative was usually the direct head of the organization selected, or else the deputy head or the head of the unit within the organization that deals specifically with university education. It is important to note here again the issue of functional overlap and how it

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<sup>2</sup> As noted previously, the private sector and the university sector are often considered to be part of civil society; here, I separate universities, businesses and NGOs into separate categories to give adequate voice to each of these specific sectors.

<sup>3</sup> Traditionally, universities in Panama were categorized only as “public” or “private,” but with the array of universities now available, it is necessary to include other differentiating operational characteristics, such as 1) non-profit/for-profit; 2) domestic-/international-/mixed-ownership; 3) Ministry of Education recognized/not recognized; and 4) virtual-/physical-/mixed-campus, for example.

affects the sample. Since Panama is a small country, those that have made careers in higher education have tended to hold a variety of posts throughout their professional lives, both within and across the different sectors. For example, most Ministers of Education were university rectors or deans previously, as well as professors and very possibly owners of private businesses; current rectors of private universities often come from administrative and teaching posts in the public system; and all of those in the private sector and civil society tend to sit on multiple association, foundation and corporate boards. Thus, those interviewed were identified by the category of their representative organization, not necessarily by the category of their current job.

For both regional and national interviews, I contacted potential participants personally by letter sent via email or hand-delivered (see Appendix 4 for a sample of the recruitment letter). In all, 39 interviews were conducted: 14 at the regional level and 25 at the national level. Two separate interview guides were developed—one for the regional stakeholders and one for the national stakeholders. Copies of both guides appear (in English and in Spanish) in Appendix 5.

**Table 15**  
**Domestic Interviews – Organizations Represented**

**Universities:**

1. Universidad de Panamá (University of Panama, UP)
2. Universidad Tecnológica de Panamá (Technological University of Panama, UTP)
3. Universidad Marítima Internacional de Panamá (International Maritime University of Panama, UMIP)
4. Universidad Católica Santa María la Antigua (Catholic University, USMA)
5. Florida State University (FSU)
6. Universidad Latina (ULAT)
7. Columbus University
8. Quality Leadership University
9. Universidad Especializada del Contador Público Autorizado

(Specialized University for Certified Public Accountants, UNESCPA) 10. Fundación Iberoamericana Universitaria (FUNDIBER)
<b>Government:</b> 11. Ministerio de Educación (Ministry of Education, MEDUCA) 12. Secretaría Nacional de Ciencia, Tecnología e Innovación (National Secretariat for Science, Technology and Innovation, SENACYT) 13. Instituto Nacional de Formación Profesional y Capacitación para el Desarrollo Humano (National Institute of Professional Formation and Training for Human Development, INADEH) 14. Ciudad de Saber (City of Knowledge)
<b>Higher Education Quality Assurance Bodies:</b> 15. Consejo de Rectores de Panamá (Council of University Presidents of Panama, CRP) 16. Consejo Nacional de Educación (National Education Council)
<b>Private Sector and Civil Society:</b> 17. American Chamber of Commerce and Industry of Panama (AMCHAM) 18. Consejo del Sector Privado para la Asistencia Educacional (Private Sector Council for Educational Assistance - CoSPAÉ) 19. Federación de Asociaciones de Profesionales de Panamá (Federation of Professional Associations of Panama, FAPP) 20. Fundación para la Libertad Ciudadana (Foundation for Citizens' Liberty) 21. Panama Teleport Project 22. Booz Allen & Hamilton Consultancy 23. ProEd Foundation 24. EduTech Kaplan Testing Services 25. Panama Canal College

Table 16 below shows the breakdowns of the individual representatives interviewed from each of the organizations listed in Table 15 with regard to selected demographics.

**Table 16**  
**Domestic Sample Demographics**

<b>Demographic characteristic</b>	<b>Number of interviewees</b>
<b>Gender</b>	
• Male	<b>18</b>
• Female	<b>7</b>
<b>Nationality</b>	
• Panamanian	<b>17</b>
• US residing in Panama	<b>4</b>
• Dual U.S./Panamanian	<b>2</b>
• Brazilian	<b>1</b>
• Guatemalan	<b>1</b>
<b>Higher Education Level</b>	
• <b>Bachelor's</b>	<b>24</b>
○ Panama: 9	
○ Abroad: 15	
• <b>Master's</b>	<b>21</b>
○ Panama: 1	
○ Abroad: 20	
• <b>PhD</b>	<b>12</b>
○ Panama: 1	
○ Abroad: 11	
• <b>PhD candidates:</b>	<b>2</b>
○ Panama: 1	
○ Abroad: 1	
<b>Countries of Higher Education Study</b>	
• Panama only	<b>1</b>
• Some study abroad	<b>24</b>
<b>Institutional Representation (primary)</b>	
• <b>Government</b>	<b>4</b>
• <b>Quality Assurance Councils</b>	<b>2</b>
• <b>Universities</b>	<b>10</b>
○ Public: 3	
○ Private: 7	
• <b>Private Sector/Civil Society</b>	<b>9</b>
<b>Age distribution</b>	
• 70-80 yrs	<b>4</b>
• 60-70 yrs	<b>8</b>
• 50-60 yrs	<b>9</b>
• 40-50 yrs	<b>4</b>

As indicated above, I conducted a total of 39 interviews—14 regional and 25 domestic. The interviews used a semi-structured format, which included a questionnaire portion designed to minimize time spent on less substantive questions. Interviews lasted approximately one hour, were conducted in Spanish, recorded on audiotape with the permission of the interviewee (see Appendix 6 for copies of the consent forms in English and Spanish), and were carried out in person to the extent possible or telephonically when a face-to-face meeting was not possible.

The interview guides, for both regional and national interviews, were designed to measure perceptions of the following major themes: (1) globalization (in general and of higher education, in particular); (2) the recent growth of the university sector; (3) the relative value of university degrees from different places; (4) the regulation of the university sector; and the (5) strengths, weaknesses, opportunities and threats associated with the current university system. These topics were chosen in an effort to measure perceptions on the major challenges associated with higher education that have been mentioned in recent regional and national studies and perceptions on the global, regional and local forces at play in the development of the university sector.

Most interviews were conducted wherever the interviewee determined; most were done in the workplaces of the interviewees, though several were conducted in the offices of the USMA. I took written notes during each interview, which I subsequently typed into a digital file on each interviewee within 24 hours of the interview; these were further expanded over time with transcriptions from the audiotapes. Additionally, I kept an interview journal that recorded events, impressions and observations pertinent to the context of each interview.

#### **5.4. Data Management and Analysis**

I used several methods for recording and managing the data connected with this research. For the document and secondary data analysis, I maintained a series of digital files categorized in much the same way as the titles of my dissertation chapters and sections reflect. These files contained downloaded source information (a collection of PDF files, Word and Excel files, scanned documents, and lists of web links), along with Word files of my own notes and data tables synthesizing certain trends and tendencies. I then drew on the information in these files to produce the portions of the dissertation that depended on this type of data.

For the key informant interviews, I used three methods for recording data: audiotapes of each interview, written notes taken during the course of each interview that I later typed into Word document files, and an interview journal in which I recorded observations, perceptions and environmental factors relevant to each interview situation. From this data, I produced several Excel documents in which I tabulated the results from the more questionnaire-like questions that involved rankings or ratings, and several Word documents that included data tables with syntheses of the information collected on the more open-ended and semi-structured interview questions. I did this separately for the interview data collected at the national level and for the data collected at the regional level.

I used a content analysis approach for constructing the tables from the open-ended and semi-structured interview data. I repeatedly reviewed (in both my written and audiotape files) all answers given for a specific question in order to identify and code the trends or particular themes associated with each question's responses. Noting and coding

these themes, I was able to construct data tables reflecting the frequency of mention for each topic and detect tendencies among certain groups of respondents. With this manual process, I was also able to more easily separate quotes from individuals that were especially relevant for certain questions and issues or that seemed representative of a certain group's views.

I considered using software for the data management and analysis, but ultimately rejected this option in favor of the manual processing described above. I eliminated the software option partly because my interview data in both the written and audio files was collected and recorded in a mixture of Spanish and English (in accord with the preferred language of the interviewee), and also because the number of interviews (39 in total) was not large enough to make the manual processing unmanageable. Additionally, the manual processing forced multiple revisions of the same data sets, which helped to familiarize me more quickly with the range of the interview response data and also make connections that might not have been as discernable using a software application.

I analyzed the data collected on four levels: global, regional (Central America), national (Panama), and individual (with representative leaders from the major stakeholders in the Panamanian university system). Together, these different levels of analysis present a more complete view of all of the forces at play in the development of the university system in Panama and of stakeholders' perceptions of the current system.

The analysis at the global level deals with the worldwide political and economic trends associated with higher education and provides the context for examining which of these influences have manifested at the regional and national levels and how. The analysis at the regional level helps demonstrate the ways in which global higher

education trends have affected Latin America and, more specifically, Central America. The analysis at the national level examines how these global and regional trends have manifested locally and how the local political, economic and social forces related to higher education have interacted with the more distal forces to produce the available in university system we now see in Panama. Finally, the individual level analysis measures the stakeholders' perceptions on the university system and its contribution to the country's competitiveness.

In line with the questions put forth initially, these different levels of analyses are then examined to determine the extent to which both (1) the vision for university education, as evidenced by Panama's explicit and implicit higher education legislation and policy statements at national and international levels, and (2) the business opportunity, as evidenced by Panamanian corporate legislation and the range of existing institutional for-profit operating modalities, are reflected in the current university system.

### **5.5 Methodological Issues and Limitations**

A potential limitation related to the decision to conduct the investigation as a predominantly qualitative case study is that the findings are not generalizable; however, a case study does have the potential to provide a richness of description and breadth not captured by alternate methodologies (Yin 2002). Also, the results—as well as the methodology utilized—may serve as input for future studies in other countries facing similar circumstances. This is particularly true for the countries of Central America, most of which as indicated earlier are witnessing similar shifts in their university systems.

I anticipated a certain degree of resistance on the part of the interviewees for some aspects of the data collection, particularly with the domestic interviews. Panama is a



small country and a small society with very little possibility for anonymity; therefore, it seemed probable that some institutions or entities would perceive the inquiries as potentially threatening or compromising, in spite of assurances of confidentiality. Overall, this type of resistance was less than I anticipated and at the regional level, almost non-existent. In cases where interviews were granted somewhat reluctantly, techniques to facilitate the exchange and improve the probability of obtaining substantive, useful information—techniques such as strategic selection of the interview locale, equalization of status differentials and deflection of attention away from the main target of the study as proposed by Adler and Adler (2001)—were applied to the extent possible with positive results. Only one interviewee refused to be recorded and only one chose to reserve comment on multiple interview questions.

The issue of time was more of a restraint at both regional and domestic levels since most of the respondents hold multiple, high-level positions with numerous responsibilities and little room in their agendas for research-oriented interviews. For this reason, a portion of the interview was designed as a questionnaire so that interviewees could provide the information on their own and the interview time could be used strictly for discussing more complex issues. Nevertheless, there were several leaders targeted for interviews (in Panama) that it was not possible to schedule for varying reasons, and with a few individuals the time available for the interview was less than ideal and certain points were not explored as fully as desired.

A major unanticipated difficulty that arose in the course of the interviewing process had to do with the politicization of the public universities—in particular, of their student body organizations—and the degree to which this affects the composition of these

groups and their activities. The student organizations of the public universities in Panama, as opposed to their counterparts in the United States or Europe, are primarily public protest instruments of the national political parties and secondarily (if at all) representatives of the university student body. For this reason, I was requested by university officials not to approach the student leaders for interviews as this part of the fieldwork coincided with a number of mass student-led demonstrations in and around the university.

Thus, the official student input was limited to the formal interview obtained at the regional level. To somewhat offset this gap in the data collection, I conducted six informal conversations with students of both public and private universities. These students were not leaders of particular campus organizations, nor were they representatives of their classes or majors, but they were able to provide some additional insight into the student perspective on university program quality and potential.

This student commentary was not systematically or methodically collected, but it did contribute additional data that, for the most part, confirmed much of what was gathered from the interviews with other university system stakeholder representatives and coincided with what was gleaned from the regional student representative interview. The limitations with regard to the student data presented in this study were, for political reasons, unavoidable and beyond the control of this investigation. Still, they must be acknowledged here and it must be stressed that more methodical data collection on student perception of the current university system needs to be done in the future.

The issue of bias—in terms of document data and individual interviewees—also turned out to be significant. The interpretation and analysis of all documentation is

subject to the bias of the particular organization presenting it, especially for more sensitive topics—such as anything related to institutions not complying with legislative norms, for example. Interviewees, as well, all had their own set of biases and filters, many of which were based on the objectives of the organizations they were representing. While these biases could not be eliminated in the documentation, review and processing of information—and, in fact, are much of what give perceptions from a cross-section of society their value—they are acknowledged in the analyses of the data.

Other difficulties arose from gaps and inconsistencies in public and organizational records, particularly with statistical figures and interpretations. These were minimized to the degree possible by utilizing various data sources and triangulating results; where contradictions in data were not resolved, a note to this effect was included.

## **Chapter 6 – Quantity versus Quality: Review of the number and kinds of universities in existence and the mechanisms for quality assurance**

This first findings chapter presents information obtained primarily from the document and secondary data analyses related to the issues of quantity and quality of universities in Panama. It addresses the first two queries associated with the overall research question of how globalization has affected the development of the university system in Panama:

1. How many and what types of universities are available?
2. What factors have contributed to shaping the regulatory environment?

Regarding the first query, this chapter examines how many universities are registered in the Panama, growth trends in the sector between 1990 and 2007, characteristics of the different kinds of universities being established, and an overview of the public and private offer with some examples of how transnational education is affecting the general mix. It also provides a full inventory of all the private universities registered in Panama to the end of 2007 (Appendix 1). Regarding the second query, this chapter looks at the portion of regulation that deals with the quality of higher education. It reports on definitions, measurements and implementation of mechanisms associated with quality assurance, evaluation and accreditation. The final portion of this chapter discusses the problems of equity, financing and human resource utilization as they relate to the issues of quantity and quality.

## 6.1 Quantity

In the past fifteen to twenty years, the number of universities worldwide has increased dramatically and Panama is no exception to this trend. Examining data from the Ministry of Education, the University of Panama, and the Public Registry—where all businesses, organizations and productive private entities must be legally registered—it is evident that Panama has not only followed this global tendency, but has also become an extreme example of it.

This first section of the chapter on “quantity” takes stock of what the Panamanian market offers in the way of university education and presents data on growth trends, the different characteristics of the new universities entering the market, the public system, and the private system, with an emphasis on the transnational university education options.

### 6.1.1 General Inventory: How many universities are there?

With the recent proliferation of institutions, it is important to note that there are several different official listings for universities in Panama. In the Public Registry, Panama now has 90 non-public (private) higher education entities legally registered (Public Registry of Panama 2007).<sup>1</sup> The Ministry of Education recognizes a total of 36 public and private universities in Panama; this official listing is made available on the Ministry’s website (MEDUCA 2007) and is presented in Appendix 7 (MEDUCA 2007). The University of Panama (UP) also issues a directory of universities with recognized

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<sup>1</sup> While this study focuses on universities (institutions typically offering bachelor’s degrees at the undergraduate level and master’s and doctoral degrees at the graduate level), the Public Registry data includes universities along with other higher education institutes and centers. In the final inventory of this study, all entities registered as universities or higher education institutes (some of which are known to be operating as universities and others of which the orientation is more ambiguous) are included.

programs, which coincides with the Ministry of Education list for the most part, though the University of Panama includes (as of December 2007) three additional institutions, two of which are noted as not functioning:

1. Delphi University (not functioning)
2. Universidad de Santander (not functioning)
3. Universidad de Técnicas de la Comunicación (UTC)

The University of Panama also includes a list of eight institutions pending approval:

1. Escuela de Arquitectura y Diseño de América Latina y el Caribe Isthmus
2. Universidad de Los Llanos del Pacífico
3. Universidad Particular en Ciencias de Mercado (UCM)
4. Universidad Internacional de América Latina
5. Universidad Ngabe Buklé
6. Universidad Nuestra Señora del Carmen
7. Universidad del Caribe
8. Universidad Virtual - Centro de Estudios Regionales de Panamá (CERPA)

Appendix 8 contains the full University of Panama listing.

In addition to the institutions that appear on the Ministry of Education and the University of Panama lists, the Public Registry shows nearly 40 more institutions of higher education that are legally registered in Panama but that do not appear on either of the other two official government lists:

1. Universidad Scholarship Foundation
2. Universidad de Delaware
3. Universidad de Kabbalah
4. Universidad del Pacífico
5. Universidad del Pacífico (UDEP)
6. Universidad para la Familia
7. Universidad para la Paz
8. Universidad Particular de Ciencias del Mercado
9. Universidad Barú
10. Universidad Bolivariana Internacional de Panamá
11. Universidad Central de Panamá
12. Universidad Centroamericana de Panamá
13. Universidad Iberoamericana (UNIBE)

14. Universidad de las Américas (UIAMERICA)
15. Universidad Iberoamericana de Panamá
16. Universidad del Área Andina Panamá
17. Universidad Internacional de Panamá
18. Universidad Internacional de las Américas
19. Universidad Internacional del Pacífico
20. Universidad Internacional de San Isidro Labrador
21. Universidad Internacional en Español
22. Universidad internacional de América Latina
23. Universidad Libre de Costa Rica
24. Universidad Libre de Panamá
25. Universidad Paulo Freire de Panamá
26. Universidad Planalto de las Américas
27. Universidad Politécnica de Centroamérica
28. Universidad Príncipe José
29. Universidad Técnica de la Comunicación (UTC)
30. Instituto Tecnológico de Estudios Superiores Monterrey
31. Instituto Superior de Administración y Tecnología
32. Instituto Técnico de Aviación
33. Instituto Uraba
34. Instituto Técnico, Computacional y Turismo
35. Instituto Superior Latinoamericano de Administración y Tecnología Naval
36. Centro de Estudio Superior Oxford University de Panamá

From the information presented above, it would appear that half of the institutions registered as universities in Panama are operating without recognition from either the Ministry of Education or the University of Panama. This is of particular concern since efforts to accredit university institutions and programs in line with international standards are just beginning to be organized and have not actually begun to be implemented.

Official figures on universities in Panama are available but they are disperse, not well organized or classified, often difficult to interpret and not readily accessible. This is as true for the officially recognized universities as it is for the legally registered but not officially recognized universities. Plus, the information available is often contradictory among sources. For example, not all of the universities recognized by the Ministry of Education appear under the same names in the Public Registry; not all of the Ministry

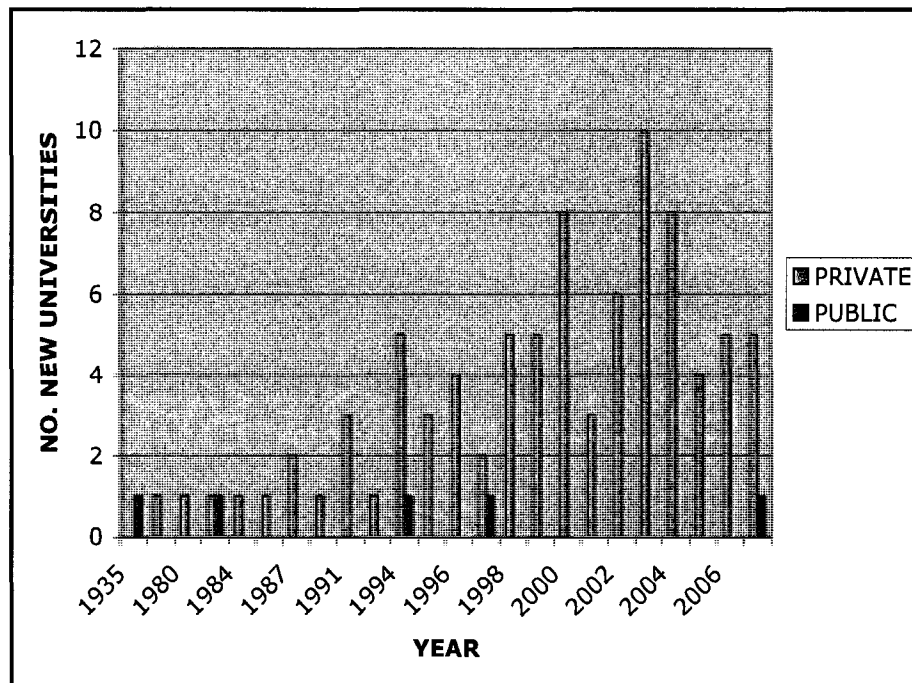
recognized universities appear to have UP curricular approval (and vice versa); and the Public Registry contains numerous “universities” for which additional contact, program and organizational data are seemingly impossible to find. Therefore, from any angle, it is difficult to see exactly what Panama has in the way of higher education—and even more difficult to analyze and evaluate what there is.

### **6.1.2 Growth Trends**

Looking more closely at Public Registry data, it is clear that most of the growth in the Panamanian university sector has occurred during the period pertinent to this research, 1990-2007, and within that span the growth has been most heavily concentrated in years from 2000 to 2005 (Figure 7). This means the majority of universities operating in Panama have a tradition of less than a decade. It is also clear from the data that private universities account for most of the growth. And within the number of private institutions established, the majority—over 90 percent—of these are entities that can legally operate for profit (Public Registry 2008).



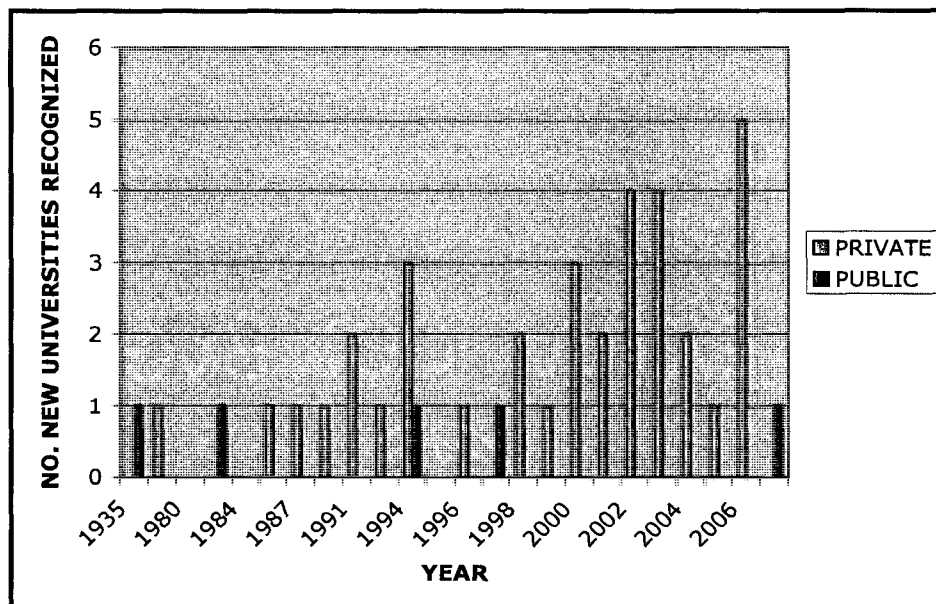
**Figure 7**  
**Growth in the Panamanian University Sector 1935-2007,**  
**Legally registered universities**



Source: Public Registry of the Republic of Panama, 2007

Even considering only the institutions recognized by the Ministry of Education, a similar growth trend appears with most of the new universities recognized between 1995 and 2005 (Figure 8). Nearly all of these are for-profit entities as well.

**Figure 8**  
**Growth in the Panamanian University Sector 1935-2007,**  
**Officially recognized universities**



Source: Ministry of Education of Panama, 2007

### 6.1.3 Categorization and Classification: What types of universities are available?

The data in Appendix 1 and the information collected from the interviews conducted and additional document analysis indicate that just as the *number* of universities in Panama has grown noticeably over the past decade and a half, so have the *types* of universities now available—and these types are now considerably different from and more varied than before. Until 1990, all universities in Panama fit neatly into categories of public and private and non-profit and for-profit institutions. Since then, however, a range of new potential classification categories are surfacing as a result of the different organizational, educational and infrastructural modalities that may be employed by the institutions.

Because so many variables are now being introduced simultaneously into the equation, the university offer continues to become more and more diverse. Based on the findings of this research, Table 17 below isolates and categorizes some of the key characteristics by which universities in Panama now differ. While it is not within the scope of this study to go into any depth on these issues, the purpose of this table is to illustrate how with the advent of the globalization of higher education, multiple new characteristics have developed that are reshaping some of the traditional dimensions of the universities.

**Table 17**  
**Classification Categories – Universities in Panama 2007**

<b>Dimensions</b>		<b>Characteristics</b>
<b>Organizational structure</b>	<b>Governance</b>	<ul style="list-style-type: none"> <li>• Public</li> <li>• Private</li> <li>• Mixed</li> </ul>
	<b>Public Registry</b>	<ul style="list-style-type: none"> <li>• Public limited company (“sociedad anonima”)</li> <li>• Privately held organization (“sociedad comun”)</li> <li>• Privately held foundation</li> </ul>
	<b>Ownership</b>	<ul style="list-style-type: none"> <li>• National shareholders</li> <li>• International shareholders</li> <li>• Mixed shareholders</li> </ul>
	<b>Financial</b>	<ul style="list-style-type: none"> <li>• Non-profit</li> <li>• For-profit</li> </ul>
	<b>Religious</b>	<ul style="list-style-type: none"> <li>• Catholic run</li> <li>• Other religious affiliation</li> <li>• No religious affiliation</li> </ul>
<b>Educational structure</b>	<b>Program level</b>	<ul style="list-style-type: none"> <li>• Certification</li> <li>• Undergraduate (Bachelor’s)</li> <li>• Graduate (Postgrado)</li> <li>• Graduate (Master’s)</li> <li>• Graduate (Doctoral)</li> <li>• Postdoctoral</li> </ul>
	<b>Program focus</b>	<ul style="list-style-type: none"> <li>• Specialized</li> <li>• General</li> </ul>
	<b>Instructional-Research</b>	<ul style="list-style-type: none"> <li>• Exclusively instruction-oriented program</li> </ul>

		<ul style="list-style-type: none"> <li>• Exclusively research-oriented program</li> <li>• Mixed instruction and research program</li> </ul>
	<b>Transnational programming-Degree options</b>	<ul style="list-style-type: none"> <li>• Local university program-local university degree</li> <li>• Foreign university program-local university degree</li> <li>• Foreign university program-foreign university degree</li> <li>• Foreign university program/joint degree</li> <li>• Mixed program-joint degree</li> <li>• Mixed program-local degree</li> <li>• Mixed program-foreign university degree</li> </ul>
	<b>Instruction modality</b>	<ul style="list-style-type: none"> <li>• Physical presence instruction</li> <li>• Online instruction</li> <li>• Mixed instruction</li> </ul>
	<b>Professors</b>	<ul style="list-style-type: none"> <li>• Nationality: Panamanian, other, mixed</li> <li>• Level of credential: Bachelor's/Master's/PhD</li> </ul>
<b>Infrastructure</b>	<b>Physical structures</b>	<ul style="list-style-type: none"> <li>• Classrooms – number and capacity</li> <li>• Auditoriums – number and capacity</li> <li>• Dormitories – number and capacity</li> <li>• Laboratories – number and type</li> <li>• Libraries – size and number of books</li> <li>• Cafeteria facilities</li> <li>• Athletic facilities</li> </ul>
	<b>Information-technology</b>	<ul style="list-style-type: none"> <li>• Access to journals, databases, libraries (virtual)</li> <li>• Access to computers/internet services</li> </ul>
<b>Official status</b>	<b>National recognition</b>	<ul style="list-style-type: none"> <li>• Ministry of Education (permission to operate)</li> <li>• University of Panama (curricular approval)</li> </ul>
	<b>International accreditation</b>	<ul style="list-style-type: none"> <li>• Accreditation of program(s) by official international entity</li> <li>• Accreditation of institution by official international entity</li> </ul>

In the United States in 1970, the Carnegie Commission on Higher Education developed a classification system for U.S. colleges and universities to support its research and policy analysis program. Using empirical data on colleges and universities to

categorize institutions according to set criteria, the Commission published the Carnegie Classification in 1973 and subsequently updated the publication in 1976, 1987, 1994, 2000, and 2005. For nearly four decades, the Carnegie Classification has been the principal framework used to describe and analyze U.S. higher education institutional diversity. It has been referred to repeatedly in the study of higher education as a means of representing and controlling for institutional differences. It is also referred to in the design of research initiatives as a means for ensuring adequate representation of sampled institutions, students, or faculty (Carnegie Foundation 2008).

Panama does not yet have the equivalent of a Carnegie Classification system or anything remotely like it, but the need for a similar classification mechanism intensifies as so many new and unknown providers enter the market. The perception of the need for this kind of mechanism also surfaced in the key informant interviews. One interviewee from outside of the university sector mentioned the U.S. classification system specifically and noted how the dissemination of information associated with such a system makes it easier to distinguish among different levels of higher education options:

Another problem [with higher education] in Panama is that we have no system to classify universities like in the U.S...there you know what is a community college, a teaching university, a research university...

Another interviewee commented on both the absence of any kind of classification system in Panama and the difficulties this presents for decision-making at many levels:

There is no classification system for rating institutions...no review of teachers, facilities, equipment, libraries...how do we know what is out there? What we need?

The table on classification categories presented above provides a basic structure for beginning to examine the diversity of the current university offer in the Panamanian

marketplace and working toward the creation of some type of classification system. Such a system would make the inventorying of higher education in Panama somewhat similar and more systematic. It would also provide for the consumers of these services a resource with which they could make more informed decisions.

Given that Panama does not yet have a university classification system or even a complete central university database, the easiest initial differentiation to make is that between the public and private systems. The next sections provide overviews of the universities available in both the public and private systems in Panama. In the case of the public universities, the list is complete and contained. In the case of the private universities, the situation is more complex and the number of institutions is far greater; therefore, data on a number of the more known private universities are provided along with an emphasis on the transnational options available within the private system.

#### **6.1.4 Public Universities**

There are five public universities in Panama, all of which have been created by means of an official law or by modifications to an existing law. Taken together, these universities represent more than three quarters of all university enrollments in Panama (CONACED 2006). The oldest and largest of these is the University of Panama (UP), founded by law in 1935, with three of the other four public universities having evolved from UP departments or regional centers. Admissions exams are required for entrance to the public university system and an average of just over 60% of aspiring students currently pass the exam. An effort is made to keep costs for students at a minimum in order to promote accessibility and tuition now runs between \$25 and \$40 per semester, depending upon the specific discipline chosen (CONACED 2006). With the exception of

the Autonomous University of Chiriqui (UNACHI), the public universities are based in Panama City with extension campuses in certain of the other provinces.

UP provides the most comprehensive higher education offer in Panama with Schools and Departments representative of all of the major disciplines (medicine, hard sciences and mathematics, social sciences, law, humanities, education and business). Business, education and social science studies account for around two thirds of the total enrollment. Undergraduate studies form the major part of the course offering, with less than 15 percent corresponding to graduate studies. The university depends on the state for over 90 percent of its financing and provides for the remainder from tuition charges and sales of goods and services (Bernal 2001; University of Panama 2007).

The Universidad Tecnológica de Panamá (Technological University of Panama, UTP) was officially founded in 1981, though its evolution is rooted in the School of Engineering of the University of Panama and the subsequently formed semi-autonomous Instituto Politécnico (Polytechnic Institute) (UTP 2007). UTP offers instruction and undergraduate and graduate level degrees in fields related to science, technology and engineering only. It collaborates closely with Panama's National Secretariat for Science, Technology and Innovation (SENACYT) on various projects such as the Scientific and Technological Network of Research Centers and Universities of Panama (RedCyT) and the linking of this network to the broader European sponsored academic network, the Latin American Cooperation of Advanced Networks (RedCLARA) (RedCLARA 2005).

The Universidad Autónoma de Chiriquí (Autonomous University of Chiriqui, UNACHI) the third public university and another offshoot of the UP, was established in 1994. It caters principally to those in and around Chiriqui, the second largest province

after Panama and home to 15% of the national population. UNACHI awards primarily undergraduate degrees, though it also offers various Master's degrees and a Doctorate in Education (UNACHI 2007).

The Universidad Especializada de Las Américas (Specialized University of the Americas, UDELAS), the most recent of the UP centers to become an independent university, was officially opened in 1997 and concentrates its course offer in special education and rehabilitation. It offers primarily undergraduate degrees along with various Master's degrees and a Doctorate in Social Education and Human Development.

The Universidad Marítima Internacional de Panamá (International Maritime University of Panama, UMIP) is the newest public university. Established in 2007, UMIP evolved from the original Escuela Nautica de Panamá (Nautical School of Panama). Its academic offer is completely dedicated to nautical and marine sciences and transport, and it focuses mainly on undergraduate and technical certification. Several related Master's degrees are also available.

#### **6.1.5 Private Universities**

Although private education still represents less than a quarter of total national university enrollment, the private university sector is that which has grown most quickly over the past decade and which now accounts for the majority of Panama's higher education entities, or 31 of the 36 universities recognized by the Ministry of Education (MEDUCA 2007) and all 90 of the institutions legally registered in the Public Registry. The first of the private universities founded in Panama were established as non-profit organizations, though nearly all of the more recent entrants are for-profit institutions.

The oldest and most established private Panamanian university is the Universidad



Católica Santa María la Antigua (USMA). It is the country's second university (after the University of Panama) and was set up as a Catholic non-profit institution in 1965 by law, as is the case with the public universities. After the University of Panama, the USMA is the university with the most extensive academic offer and facilities. Its student body numbers roughly 5,000 and it offers undergraduate and graduate degrees in most major disciplines, with the exception of medicine (USMA 2007).

Florida State University (FSU) is another private non-profit university that has a long history in Panama. It first opened a Panamanian campus in 1957, primarily to attend to U.S. Canal Zone needs, and with the cession of the Canal to Panama in 1999, it moved its facilities to the former Panama Canal College campus. Its student body includes Panamanian, Latin American and U.S. (exchange) students (FSU Panama 2007). (More will be presented on FSU in the section below on "Branch Campuses.")

Apart from USMA and FSU, the majority of private universities now operating in Panama has been established within the past 10 to 15 years and operates under a for-profit corporate mandate (Registro Público 2007). Even within the "for-profit" classification, however, there is an increasing number of different types of institutions available. Many of these are products of transnational education agreements, which are described in the following section together with some examples of how they are being applied in Panama.

#### **6.1.5.1 Transnational Programming**

The diversity of transnational programming currently available in Panama may be the most visible evidence of globalization on the shifting dimensions of university education. And it is the transnational programming that is beginning to impact various

other dimensions, as well, of the university structure presented in the classification table above, such as instruction modalities, professors and use of information technology, for example. As national borders become more permeable, the options for transnational education continue to increase. Referring back to Altbach's (2004) work, he writes extensively about the north-south driven nature of most transnational education initiatives and details some of the ways they are beginning to manifest in developing countries: through branch campuses of a foreign university (typically U.S. or Australian, for example); through online distance learning programs; through "off-shore" degrees, whereby a foreign university teams up with a local partner—usually an existing university or a corporation—to offer the same foreign degree program locally; through franchising agreements that permit local providers to use educational programs of offshore institutions, but for which they award their own local degrees; or through multinational university corporations that purchase local institutions in different countries and offer similar curricula and degrees in each. Panama shows variations of all of these manifestations described by Altbach (2004) and more.

#### **6.1.5.1.1 Branch campuses**

As noted in prior sections, Florida State University (FSU), based in Tallahassee, Florida, was one of the first U.S. universities to set up shop in Panama, originally in the Canal Zone in 1957. It has gone through various iterations, but now functions as the Panama branch of FSU and grants undergraduate degrees in Computer Science, International Relations, Latin American Studies and Social Studies, and is considering the inclusion of a couple of master's level degrees next year. It also offers the possibility for FSU Panama students to study their final year on the Tallahassee campus and,

likewise, for FSU Tallahassee students to do a year abroad in Panama. All classes are in English, final approval for hiring professors comes from Tallahassee, and FSU is a U.S. accredited institution.

Other U.S. universities—Nova Southeastern University, Central Texas College and the University of Oklahoma—started out with similar arrangements during the U.S. Canal Zone years, but none have maintained their presence after the reversion of the Canal to Panama in 1999.

The Universidad Latina, established in Panama in 1992, also started out as a branch campus of the university of same name that began in Costa Rica in 1989, but has since been bought out by local partners. The Universidad Latina currently operates as an independent, private for-profit university in the City of Panama and also in three other provinces; it offers courses and degrees (in Spanish) at both undergraduate and graduate (Master's and PhD) levels in a variety of subjects, including medicine. Though still small by international standards, it has a student body of approximately 2000 and the most extensive facilities of all the private for-profit universities in Panama. The Universidad Latina has significant web presence, has done extensive marketing, is slightly more expensive than the majority, and has established more of a reputation to date in the market than most of the for-profits.

#### **6.1.5.1.2 Distance learning programs**

Two private universities in Panama began operating with the specific purpose of offering university degrees through distance learning programs. The Universidad Interamericana de Educación a Distancia de Panamá (Interamerican Distance Education University of Panama, UNIEDPA) opened in 1986 with the idea of catering to a student

body unable to earn a degree through traditional class attendance; with the technological developments of the 1990s, much of UNIEDPA's offer (primarily bachelor's degrees in education and business and master's degrees in education) was made available online. The Universidad Abierta y a Distancia de Panamá (The Open Distance University of Panama, UNADP) opened in 1994, also with the concept of offering university courses to students either geographically or financially unable to devote themselves to full-time university study. UNADP offers both physical presence and online classes and awards bachelor's and master's level degrees, principally in the areas of business and education. Although both of these universities have the requisite approval from the Ministry of Education and the University of Panama, website presence and well over a decade of operating experience, they remain small and have not established much in the way of market presence or reputation.

The distance/virtual learning program that appears to hold more promise for Panama is the one developed by the Barcelona based Fundación Universitaria Iberoamericana (Iberian-American University Foundation, FUNIBER) in conjunction with Panama's public technological university, the UTP. FUNIBER is a business-higher education network that seeks to better utilize technology and the potential of online learning to offer international level university education opportunities to Latin Americans. The FUNIBER-UTP initiative has as its key objective the development of international level PhDs and research initiatives to boost Panama's (and the region's) critical mass in scientific academia. Launched in 2006, the program organizes science and technology oriented PhD coursework through various universities worldwide (mostly Spanish-speaking) that have virtual teaching capacity and oversees the learning and

research for a pilot group of students, most of which are studying primarily online. FUNIBER acts as the platform and instrument through which the worldwide universities channel their teaching through the UTP; UTP coordinates the combining and customizing of the coursework from the various source universities into PhD curricula with the requisite characteristics, oversees the corresponding research and awards the final degrees. The pilot group now in progress contains 20 students (two-thirds are Panamanian, one third are from other countries in Latin America) and a second group is now being formed of half Panamanian and half non-Panamanian students.

Because UTP is part of the public university system, it is freed from the bureaucracy of the Ministry of Education-UP recognition and approval. The major challenges to date with the FUNIBER-UTP program have had to do with its administration, which is split between FUNIBER and UTP. Difficulties with managing different universities' coding systems, the monitoring of students' progress, the coordination and management of research projects, and the communication between all relevant parties continue to slow progress. Nevertheless, the program coordinators are confident that with time and experience these obstacles will be overcome—or at least be made more manageable—and that the initiative will grow into a serious, reputable regional PhD program that attracts students from all over Latin America and produces solid research on issues pertinent to the region.

#### **6.1.5.1.3 “Off-shore,” franchise and other joint programs**

More and more degree programs from U.S. and European universities are coming into Panama through a variety of channels. To give one example, an alumni of the University of Louisville first brought a couple of the university's Master's programs to

Panama in 1998 with only a commercial license, some imported professors and some space in an office building. This operation has now evolved into Quality Leadership University, a Ministry-UP authorized institution that offers bachelor's and master's programs and degrees not only from the University of Louisville but also from Towson University, the College of Notre Dame of Maryland, and Florida International University's Chapman Graduate School of Business. Most of these programs focus on business related majors, though a couple of new ones focus on education. Students have the option of receiving degrees in the name of the U.S. university or in the name of Quality Leadership University.

Panama's Catholic University (USMA) also offers a joint program, a Master's in Maritime Business Administration and Law, with the University of Deusto in Bilbao, Spain. And the public maritime university, UMIP, is currently in negotiations with Texas A&M University, the State University of New York and Tulane University in an effort to move in a similar direction with joint program offers.

#### **6.1.5.1.4 Multinational university corporations**

The first major multinational university corporation to establish a presence in Panama was Laureate International Universities. Laureate is a network of private academic institutions worldwide that offers a range of technical, undergraduate and graduate degree programs in local institutions, which share academic programs and student services with other Laureate member universities. The Laureate network includes 20 institutions in Asia, Europe, and the Americas that serve more than 215,000 students globally. The two Laureate affiliates in Panama are the Universidad Interamericana de Panama (UIP, mentioned above) and the Universidad Latinoamericana de Ciencias y

Tecnología (ULACIT). The UIP, founded in 2003, has an enrollment of around 8,000 students, is less expensive than many of the private for-profit universities in Panama, has a more “populist” image, and offers degrees primarily in the areas of tourism, hotel administration and logistics. The ULACIT, founded in 2004, is Laureate’s more “upscale” Panama campus, with 2,500 students, more widespread marketing and a more corporate image; it also has a medical school and a recently established school of health sciences. Both universities operate on a quarter system with flexible payment options and one rector presides over the two institutions.

Laureate supporters laud the relatively low-cost, all-encompassing offer that makes higher education readily accessible to more of the population. Critics question the quality and condemn the business mentality. These issues surfaced during some of the key informant interviews and generated heated commentary. One university sector interviewee openly discredited Laureate, refusing to acknowledge the group as a real university and adamantly stating:

Laureate is a farce. It is a commercial operation from Baltimore with owners that come from a publishing house—they aren’t even educators. It is not an accredited university in the U.S. It has no presence there—it is more like an ugly duckling.

Apart from Laureate, another multinational university corporation that has recently come to Panama is the ADEN Business School group. The group offers master’s degrees in business, along with complementary executive training and corporate consulting services, and has a network of 14 centers in Latin America, two in Europe and one in Asia. In Panama, ADEN is working with the City of Knowledge Foundation, which is the focus of the following section.

#### **6.1.5.1.5 The City of Knowledge**

The City of Knowledge occupies a special place within the university system of Panama. Prior to the reversion of the Canal to Panama in 1999, the City of Knowledge was conceived of as a plan to bring business, technology, international development and academia together in a knowledge generating human development hub in one of the old bases of the U.S. military in the former Canal Zone. This plan received support from such entities as the United Nations, the U.S. Agency for International Development (USAID) and the Inter-American Development Bank (IADB). In 1998, the government passed legislation to allow for the creation of this hub within a semi-autonomous foundation that would retain full control over the higher education authorization involved, without the need to go through either the Ministry of Education or the University of Panama, and would grant the City of Knowledge a number of fiscal and migratory incentives to encourage the incorporation of innovative firms and academic programs. In exchange, the City of Knowledge directorship was given to a University of Panama official (who is still in charge of the organization) and the foundation was prohibited from allowing the entrance of programs that would directly compete with those of the state university system.

In the ensuing decade, the City of Knowledge has signed numerous memos of understanding and cooperation agreements with higher education and research institutions around the world and has achieved the institutionalization of several international academic programs, the most permanent of which are described briefly in Table 18 below.



**Table 18**  
**The City of Knowledge, 2007 – Academic Program Profile**

<b>Partner Institution</b>	<b>Program Description</b>
<b>ADEN Business School – Universidad de Alta Dirección</b>	<ul style="list-style-type: none"> <li>• Master’s degrees in business from Aden Business School’s Universidad de Alta Dirección, a multinational with various centers in Latin America, Europe and Asia</li> <li>• Executive training and corporate consulting services</li> </ul>
<b>Florida State University</b>	<ul style="list-style-type: none"> <li>• Bachelor’s degrees from FSU (Tallahassee, Florida) in Computer Science, International Relations, Latin American Studies and Social Studies</li> <li>• International professors</li> <li>• Study abroad program for FSU Tallahassee students</li> </ul>
<b>Isthmus School of Architecture and Design</b>	<ul style="list-style-type: none"> <li>• Bachelor’s and Master’s degrees from Isthmus (based in Colombia) in architecture and industrial design</li> <li>• International professors</li> <li>• International exchange and internship opportunities</li> </ul>
<b>School of International Training</b>	<ul style="list-style-type: none"> <li>• Study abroad programs for undergraduate students from over 200 sending institutions worldwide</li> </ul>
<b>McGill University</b>	<ul style="list-style-type: none"> <li>• Study abroad program with the Smithsonian Tropical Research Institute for Master’s and PhD students in neo-tropical studies</li> </ul>
<b>University of St. Louis</b>	<ul style="list-style-type: none"> <li>• Study abroad program for undergraduate business students from the U.S.</li> </ul>
<b>Universidad de San Martín</b>	<ul style="list-style-type: none"> <li>• Bachelor’s in biotechnology from the Universidad de San Martín (based in Colombia) in collaboration with the Organization of Biotechnology Industry in Washington, DC</li> </ul>

Source: City of Knowledge, Panama, 2008

## 6.2 Quality

The growth and diversification seen in the Panamanian university system over the past years do not appear to have stimulated or been accompanied by the same degree of progress in the area of higher education quality. The second half of this chapter is dedicated to the discussion of the quality assurance aspect of the university education

regulatory environment in Panama and addresses the question of factors that have contributed to shaping it over the past couple of decades.

I also include in this portion of the chapter more data and commentary from the key informant interviews—even though these perceptions are presented more thoroughly in Chapter 8—because the issue of quality (or the perceived lack of it) was the leading concern of nearly all respondents and these perceptions add another dimension to the information gathered from studying the legislative and regulatory environment. Interviewees perceived serious quality related problems in both the public and private universities.

In the case of the private universities, the problems of quality were attributed most often to the mentality of commercialization and constant effort to better the margin—producing at the least possible cost and selling at the highest possible price. Some associated this type of behavior more with the transnationals and felt they were “taking advantage” of the Panamanian market and public. As one respondent expressed,

[Private] universities have taken advantage of lower barriers and have come into Panama...there are now too many private for-profit institutions whose goals are primarily moneymaking and not necessarily teaching...too many people are spending too much money on low quality education.

Others were less judgmental of the transnationals, in particular, insinuating that all private university operators are susceptible to viewing education as more of a potentially profitable product than a calling. One person complained,

...the mentality of economic competition sees [university] education as a product...we are selling education like we sell shoes.

In the same vein, another respondent linked the profit mentality with compromised commitment to excellence:

The mercantilism of everything [in higher education] represents the biggest risk to quality.

Interviewees were equally critical of the public universities, though for different reasons. In the public system—which people generally equated with the University of Panama (and not the UTP, interestingly)—quality is perceived to suffer as a result of insufficient resources, poor management and lack of connection with the rest of the world. Many respondents perceived this to be dire problem and an urgent priority as articulated by this summation:

The public system is a shambles and needs major restructuring...

Most considered the current situation of poor quality in the public system to be a result of decades of poor educational policy at every level and not a recent phenomenon. The massification of higher education witnessed over the past decade or so was seen not so much as a cause of poor quality but as more of a catalyst for accentuating weaknesses that have been accumulating over time, as this comment indicates:

Massification in and of itself is not the problem, but rather the lack of previous reforms to guarantee the quality of higher education. The UP blames the high schools for the problem of quality [of students], but that is a problem of the professors—and *that* is a problem of their education which is the problem of the UP!

Though some were more optimistic about possible improvement, almost all acknowledged that change and improved quality in the University of Panama would require overcoming a number of major obstacles, most of which have become ingrained in the system over years.

Among these major obstacles to be overcome, and one that carries direct significance for Panama's competitiveness in the world economy, is the perceived disconnect with the productive sector. Awareness of and dissatisfaction with this disconnect was expressed in a variety of ways, but the upshot of the commentary was that what is being taught and investigated at the university is not what the country needs to move forward, as expressed by this civil society respondent:

[The University of Panama] has some good programs, but nothing of links with the international world or with business, nothing of research services...it has something of the theoretical, but nothing practical...not what we need for developing the country.

Even more importantly, most interviewees agreed that the quality of graduates turned out by both the public and private university systems is generally not up to what is required of them in the workplace. The educational output in terms of human resource capacity is not seen to be commensurate with the requirements of the labor market; although more and more young people are holding university degrees, the quality of those degrees and the preparation they symbolize is not perceived to be adequate. One private sector respondent summed up the situation as follows:

We need to investigate the content of most of the curricula... [universities] concede titles without the training necessary for the job...we are saturated with graduates that are not prepared to work.

While everyone interviewed voiced some quality related concern, specific definitions of quality tended to be vague, perhaps because there are not any mechanisms for measurement currently in place. Participants spoke more broadly of inputs and outputs, as is reflected somewhat in the comments of the previous section. On the input side, the key concerns were twofold: 1) *program norms*, primarily to do with curricular content and the number of contact and workload hours involved for a specific degree; and

2) *instructor qualifications*, including the level of education of the professor and his or her ability to teach. University infrastructure and facilities—classrooms, libraries, technology, laboratories, etc.—were acknowledged to be quite poor overall; however, those interviewed were far less concerned about these physical inputs than they were about programming and teaching. On the output side, the major worries were 1) the *employability of university graduates* (due to their areas of specialization and their levels of knowledge) and 2) *academic production*—primarily, research practically geared to further the development of the country. Acute lacks are perceived in both areas, but little has been done to measure either one. In fact, Panama does not have any means of consistently measuring or monitoring any of the inputs or outputs associated with higher education.

### **6.2.1 Perceptions of indicators and standards**

A variant of the measurement theme that came up frequently was the importance of standards—something that was mentioned by a large majority of interviewees. The presence or absence of concrete standards was directly linked to academic success or failure and a number of examples were cited. On the positive side, programs based on a more universal set of norms, like those found in the UTP math and engineering departments, were acknowledged to have met with some success:

Take the UTP—it succeeds because it deals with the subjects of engineering and mathematics—sciences that are more exact, not subjective. The vision is more orderly; the method of operation is different—more disciplined, more oriented to practice. If you are a mechanical engineer or an architect, for example, you cannot play around with standards and measurements or the building you are constructing falls down! That is why the UTP is the only Panamanian university that provides services to the private sector.

Likewise, the UP medical school that was designed from the beginning to mirror U.S. medical school standards has continued to enjoy a solid reputation, as evidenced by this comment:

Why does the UP do well with its medical school? Because it is based on U.S. and European diagnostic techniques...it was known to be the toughest med school in the region, set up [originally] just like in the U.S. with an 8-year program...they have entrance exams, they take only a small percentage of applicants, those that can pass the test...students are trained with international standards...and they are made to practice.

The same has been true for the nautical school, which is now the maritime university:

[The International Maritime University of Panama, UMIP] has to deal with international competencies—like in aviation—so the university has two components: academics and compliance with international standards, the STCW 78/95 [the Standards of Training, Certification & Watchkeeping for Seafarers Convention], which sets the maritime standards in line with international conventions and the International Maritime Organization audit.

Because of its commitments to and connections with international shipping, ports, and canal management, its programs and measurements have always been based on standard international conventions, which has forced a certain degree of compliance and raising of the bar. Consequently, as with medicine and engineering, Panama has a reasonable reputation for general maritime skills.

The accounting sector is trying to move in a similar direction and promote the same type of change by getting involved directly with the shaping university education—and with the creation of its own university. This is a recent development as indicated by the following account related by one of the university sector interview respondents:

[The Specialized University of Certified Public Accounting, UNESCPA] started in 2004 as an initiative of the productive sector, of the CPA Association—there was demand in the market but the graduates weren't passing the Association

exams...the program was formed by professionals, firms, members of the Association, using the standards the profession has to work with...

The stakeholder interviews produced a general consensus on the correlation between standards and quality. There was also considerable support for the incorporation of *international* standards as a means to establishing a practical benchmark for acceptable quality. In addition to the engineering, medical, maritime and accounting examples given above, interview participants mentioned Panama's success in running the Canal, the banking sector and the airline industry (with COPA)—as a result of adopting, and adapting to, international sets of standards. Some were more emphatic about this need to peg to international norms than others, as shown by this interviewees response:

We need to evaluate with international norms...we have to establish links with the private sector and with the international universities. Everyone always says, "yes, yes, we *must* do this," but they are afraid of being criticized, of being found inadequate...we have to be able to receive criticism and then adapt in order to be able to improve.

## 6.2.2 Quality Assurance and Accreditation

The application of standards, particularly international ones, to higher education leads directly to the issue of quality assurance and accreditation. Interviewees provided a range of opinion on these topics as they related to definitions, legislation, and regulation and implementation.

### 6.2.2.1 Definitions

The Council for Higher Education Accreditation of the U.S. defines higher education and accreditation and quality assurance as follows (CHEA 2007):

**Accreditation:** The process of external quality review used in higher education to scrutinize colleges, universities, and higher education programs for **quality assurance and quality improvement**. Success results in an accredited institution and/or program.

**Quality Assurance:** Planned and systematic review process of an institution or program to determine that acceptable standards of education, scholarship, and infrastructure are being maintained and enhanced. Usually includes expectations that mechanisms of quality control are in place and effective. Also (U.K.), the means through which an institution confirms that the conditions are in place for students to achieve the standards set by the institution or other awarding body.

**Quality Improvement:** The expectation that an institution will have in place a plan to monitor and improve the quality of its programs. In most cases, quality assurance and accrediting agencies require that established procedures ensure that this is an ongoing process.

RIACES, the Iberian-American network for higher education evaluation, offers a similar definition:

**Accreditation (quality assurance and validation):** The process for recognizing or certifying the quality of an educational institution or program based on a previous evaluation of the same. The process is carried out by an agency external to the higher education institution. The accreditation or certification recognizes the quality of the programs or of the institution accredited.

Only several of those interviewed in Panama provided a strict definition of the term “accreditation” in line with the definitions presented above, but most (more than three quarters of the sample) gave definitions that involved an evaluation corresponding to established, published criteria for facilities, faculty and programs. And two-thirds of these, or more than half the total sample, insisted that these criteria be linked to international standards and entities, generally citing the U.S. and Europe as primary examples. Only two of those interviewed equated the term “accreditation” with the current process of obtaining Ministry of Education permission to operate and UP curricular approval. Most were clear that the official higher education recognition process in Panama does not coincide with the widely accepted interpretations of accreditation and quality assurance. As one university sector respondent explained,

To say that [an institution] in Panama today is “accredited” is a fallacy. We do not have accreditation; what we have is “supervision” or “recognition” or “approval”—



the MEDUCA authorizes the operation and the UP approves the majors and coursework, but the UP has no authority for passing laws or closing institutions.

A number of those interviewed were very specific and even more vehement on the differences, criticizing the current system and proffering advice on how things ought to work. Even those with these views, however, conceded that real change in this regard for Panama would require a major shift in mentality and culture, as put forth by this university sector interviewee:

What we have now is *recognition* from MEDUCA and/or the UP. Neither of them asks for CVs of the professors, for example, nor have they ever reviewed the academic registrations, the IT, the investment in infrastructure, the libraries, the academic security...*accreditation* is done by an external organization that has the authority and the capacity to evaluate, for fixed periods (say 4 to 5 years), using recognized standards or criteria. It should require internal evaluations, self-evaluations and [in Panama] this would require a change of culture.

Some that acknowledged the deficiencies of the status quo were hopeful that change could be promoted through increased global connection. They reasoned that more international affiliation would create more pressure for Panama to conform to the international standards and norms being established in this area, as captured by this respondent:

What MEDUCA and UP do now is not accreditation...some use that word for marketing, but they (MEDUCA and UP) have never done true accreditation...now with globalization, there is more pressure, like that of IESALC (UNESCO) and other international organizations, for example, to create councils and structures for accreditation to promote convertibility and comparability of degrees.

#### **6.2.2.2 Legislation**

The national legislation that corresponds to Panama's first attempt to move in the direction of accreditation and evaluation is Law 30 of 2006, which creates the National Council Evaluation and Accreditation of University Education (CONEAUPA, for its Spanish acronym). According to the legislation, CONEAUPA forms one component of

the larger “National System of Evaluation and Accreditation for the Improvement of the Quality of University Education,” which also includes representatives of the Ministry of Education, of the existing public and private universities authorized by executive decree, and of the CRP and the National Education Council. Within this broader structure, the CONEAUPA is composed of eleven members:

1. The Minister of Education (who presides over the council)
2. The Minister of Economy and Finance
3. The National Secretary of Science, Technology and Innovation
4. The President of the National Assembly Commission on Education, Culture and Sports
5. The President of the Federation of Professional Associations of Panama
6. Three members of the public universities
7. Two members of the private universities
8. One member of the National Education Council.

The primary role of CONEAUPA is to function as an evaluation and accreditation entity and “rector” of the National System of Evaluation and Accreditation for the Improvement of the Quality of University Education (Law 30 of 2006). According to the decree, it is an independent, decentralized body that is autonomous with regard to financing, administration and regulation; however, its configuration would seem to question this assertion. Also, by automatically including all of the universities already legally recognized by the Ministry of Education in the broader National System, there is an assumption of their academic integrity, which many question—especially since none of these universities have yet passed through any accreditation process. And within

CONEAUPA, the ultimate responsibility for the external university accreditation rests with the “Technical Oversight Commission,” the composition, operation and administration of which is not detailed in the law.

Discussing accreditation and quality assurance, those of the interview participants familiar with Panama’s recent legislation to create Panama’s National Council of University Evaluation and Accreditation (Consejo Nacional de Evaluación y Acreditación Universitaria de Panamá, CONEAUPA) did not fail to comment on it—some optimistically, others more pessimistically. Toward the optimistic end of the spectrum, some felt this legislation would be the catch-all solution to many of the difficulties now facing the regulation of university education quality, as expressed by this public sector respondent:

[Law 30] should resolve the deficiencies we have had—it will fill that auditing void.

Others were slightly more cautious, acknowledging that for the legislation to have an impact, official authorities and market forces would have to work to push in a similar direction, as explained by this university sector stakeholder:

We have achieved something with the Law 30 and CONEAUPA...now the CRP needs to give it its independence and also a push forward. The evaluation, accreditation is voluntary, but those that don’t do it will disappear as a result of market forces. The challenge will be for CONEAUPA to maintain its independence, its autonomy.

More of those interviewed had more serious reservations, mostly as a result of the dubious base established in the legislation for the autonomy of the council. While they would like to have faith in the mechanism, many professed to doubt its ability to achieve the degree of neutrality necessary to make it a serious evaluative force. This response from one of the interviewees sums up what many participants expressed:

[CONEAUPA] is very new. It has serious people establishing the base...we have to give it a chance, but it is important that it achieve neutrality to be effective. It has been able to include a balanced mix of sectors, but that doesn't guarantee its neutrality—and this lack of neutrality could be a big disadvantage.

And some stipulated an element of international affiliation or guidance as a requisite for success, as expressed by this private sector interviewee:

In order to really function, CONEAUPA has to be independent, it has to look to the outside—to the north, to the U.S.—for examples of how to regulate the sector. They (in the U.S.) are not perfect, but they have years and years of experience in this!

Others were simply and blatantly pessimistic, dismissing CONEAUPA as nothing but a front to produce the illusion of compliance with higher norms:

[CONEAUPA] has no importance...it is a mechanism to justify the mediocrity of the existing higher education system in Panama because it is formed by the same universities. It can't function as judge and jury at the same time.

Nevertheless, even some of the skeptics admitted that CONEAUPA could be somewhat of a deterrent to the university sector's uncontrolled growth of recent years, which most would perceive to be a positive contribution:

[CONEAUPA] doesn't seem serious...judge and jury rolled into one...I don't believe in it. It has some good people but the most it is going to achieve is limiting the growth in new universities.

### **6.2.2.3 Implementation**

Many of those interviewed that were familiar with CONEAUPA were skeptical of its potential given its ostensible composition and the fact that although the law has now been on the books for over a year and a half, it has yet to be regulated and implemented. In other words, CONEAUPA is not yet operational. Some blame this on lack of funding, some on lack of capable human resources, some on lack of political will. As one of those intimately involved in its conception commented,

Finally the 2006 law of CONEAUPA was passed, but politics always puts up barriers: the control the UP wields now is evident even in CONEAUPA—just look at the configuration of the Council. You can't be judge and jury...it isn't correct. This control the UP has over all programs and majors is limiting the development [of the country]...this is a key issue, a serious situation.

Others interviewed were less harsh, proffering more of a “wait-and-see” attitude, as encompassed by this participant who noted that since it is the only option presently available for advancement in the direction of accreditation, it would be better to approach it optimistically,

[CONEAUPA] does not contain an international component and there is the risk that it end up as “judge and jury,” but like with all institutional development, you have to give it time—for learning and for establishing a better equilibrium. We have to create mechanisms so that the Technical Oversight Commission can evaluate in accord with minimum international requirements and so that CONEAUPA respects that evaluation.

Added to these structural issues is the fact that there are very few higher education professionals in Panama that have experience with evaluation or accreditation. In sum, with little real incentive for most Panamanian universities to pass through a thorough and demanding evaluation and accreditation process, *and* the traditional financial limitations facing the education sector in developing countries, *and* the accompanying lack of local capacity in this area, these seemingly appropriate first steps toward improved regulation of university quality assurance run the risk of becoming empty, superficial exercises—a façade of compliance so that “someone, somewhere looks good” as opposed to a sincere effort to better the system. Indications of this risk are already reflected in the fact that of all of those interviewed, less than half attached high importance to the budding organization. Outside of the university sector itself, many from business and civil society did not know what CONEAUPA stood for or even what type of organization it was.

### 6.3 Equity versus Excellence

A final issue that must be mentioned in connection with quantity and quality of university education is that of equity versus excellence. It has important implications for any policy making related to the Panamanian university system, and is intrinsically linked, directly and indirectly, to globalization.

Equity is a loaded word when coupled with higher education. After millennia of universities being perceived of as elite—and often, elitist—there is a new drive toward massification worldwide that preaches availability and accessibility of higher education for all. But this crusade raises a number of difficult questions. Does “equity” imply the guarantee of the *opportunity* of higher education? Of *university* education? Does it guarantee the accompanying *diploma*, itself? Where does individual capacity fit into the equation? Which are the models of “equity” in university education that are most likely to be of benefit to developing countries? To what extent do developing countries need to provide equity and to what extent do they need to cultivate excellence?

The World Bank’s (2000) partial answer to these questions is as follows:

Higher education systems need to find a way of reconciling the dual values of excellence and equity. In an ideal society, excellence is best promoted by policies that select a society’s most creative and motivated members for advanced education. But selection based on prior achievement will only reinforce a history of discrimination and underachievement. Equally, programs to increase equity will prove unsustainable if they are seen to undermine the standards of excellence on which higher education is based. Merit criteria cannot be relaxed. Awarding degrees or certificates to people who do not deserve them cannot be in the public interest.

The answer seems to be to combine tolerance at points of entrance with rigor at the point of exit. Proactive efforts to attract promising members of disadvantaged groups must be coupled with well-designed, consistently delivered remedial support. With sufficient funding from public or philanthropic funds, this will clearly contribute to equity, but it has the potential to contribute to excellence as well—with institutions drawing their intake from an ever-widening pool.

These ideals of standards of excellence, merit criteria, “tolerance at points of entrance with rigor at the point of exit,” and remedial support make sense; the difficulty is in their simultaneous implementation. The World Bank (2000) recommends a combination of government, donor and philanthropy funds to bridge this gap, but that is a particularly tall order for a middle-income country, like Panama, with inefficient government structures, little donor support and no tradition of higher education philanthropy.

Within Latin America, Cuba lies at one of the equity extreme with its arduously developed and recently promoted “Universalization of the University” (UNESCO 2008). The concept is to provide university education for every citizen in every corner of the country, utilizing public university, local government, business and international assistance resources to bring classes, professors, materials and university level learning to classrooms nationwide. UNESCO lauds the program as a potential model for other developing countries, but insiders acknowledge the extreme difficulties of divergent student capacity, logistics, cost and instructor goodwill involved. Venezuela is already trying to copy the model with its own “Mision Sucre,” and is having even more trouble—with selling the project to both teachers and students (Alarcón Ortíz 2007).

At the other end of the spectrum are Mexico and Brazil, which have the most solid graduate systems in the region, but also the highest degrees of overall illiteracy with 14.3 million illiterates in Brazil and 6.3 million in Mexico. Brazil, in particular, does poorly with regard to equity in higher education. It graduates approximately 11,000 PhDs per year, is the country with the largest number of private institutions of higher education (CRES 2008), and is also the Latin American country that spends the most on

research. But Brazil is below the regional average (19 percent) for access to higher education with only 16.5 percent of its relevant population attending university (CRES 2008, Ch 4).

Panama would appear to be trying to move in the direction of Cuba and Venezuela, albeit with private university assistance and without the same strength behind the public university system. A higher percentage of the population is now getting some kind of university education, but are these people truly learning? Are they finding jobs? There is so little public data presently available on university graduates' employment trends in Panama that a couple of universities mentioned looking into the possibility of developing their own databases to monitor this.

The graduates from Panamanian universities that interviewees consistently referred to as “hirable” and “reliable” were from the UP med school, the UTP, the USMA, FSU and the University of Louisville. All together, that accounts for only around ten percent of those currently studying at university in Panama. Interestingly, with the exception of Louisville, the universities listed are also the only schools that have entrance exams—which emphasizes the World Bank point about sticking with merit criteria and not sacrificing excellence in the quest for improved equity. Or as one civil society interviewee put it,

Economic elites are odious, but intellectual elites are necessary for the development of the country.



## **Chapter 7 - Effects of Globalization on the Development of the University System: Factors that shape the vision for university education and factors that contribute to the related business opportunity**

This chapter examines how the influence of countries outside Panama has acted over time in conjunction with the local environment to affect both the vision—or ideal—that Panama has developed for university education and the business opportunity associated with university education that has developed simultaneously alongside of this vision. I use the three sector frames—political, economic and social—presented earlier in the context of the frame factor model as the principal perspectives for examining the vision and the business opportunity.

In accord with this overall framework, I look at the specific factors of the international, regional and national legal and regulatory framework (within the political frame); Panama's academic culture and power structure (within the social and political frames); and the market demand, institutional supply and client base (within the economic frame). The upshot of this analysis is an effort to isolate the factors, or combination of factors, that appear to have most influenced the development of the university sector in Panama.

### **7.1 The University Vision**

The vision that Panama has developed over the years for its university system is both determined by and reflected in the trajectory of the national legislation related to higher education and the international accords on higher education to which the country has committed. There is evidence of the importance of globalization and the influence of

other countries on this vision—and the resulting higher education legislation and norms—almost from the time of the constitution of the republic. In the period of 1990-2007, the Bologna Process and its corresponding regional activity in Latin America, and particularly Central America, represent important influences guiding Panama's university vision.

### **7.1.1 The Bologna Process**

To better understand Panama's development of a vision for the university system, this section will first describe the Bologna Process, Europe's ambitious convergence initiative that aims to create a unified European Higher Education Area. The Bologna Process is important for Panama because it has catalyzed subsequent higher education convergence activity worldwide, which has impacted higher education policy in Latin America that has, in turn, affected the national operating environment of the individual countries as well.

The comprehensive Bologna framework and process began nearly two decades ago and has propelled a succession of declarations, conventions, charters and concrete changes at governmental and institutional levels that are serving to harmonize the higher education systems of all European Union members. The Bologna Process involves an ongoing series of meetings and events that began with the policy of establishing a European Higher Education Area (EHEA) by the year 2010 and is now dedicated to developing the plan for implementing this decision. Since 1998, six ministerial conferences and various preparatory meetings have been held throughout Europe to further the Bologna Process and the next summit is scheduled to take place in 2009.

The basic premise dates back to what has become known as the Magna Charta of University, signed in 1988 at the University of Bologna by Rectors of European universities, and to the Sorbonne Joint Declaration on the Harmonization of the Architecture of the European Higher Education System, which was signed in May 1998 by the education ministers of France, Germany, Italy and United Kingdom. The Sorbonne Declaration focused on the need to improve international transparency of courses and recognition of qualifications, facilitate mobility of students and teachers throughout Europe and their integration into the European labor market, and design a common degree system throughout Europe for undergraduates and graduates (EC 2006).

Shortly afterward, and inspired by the Sorbonne Declaration, the Bologna Declaration was signed in June 1999 by ministers responsible for higher education in 29 European countries. This declaration was then used as the basis upon which to establish the general framework for the modernization and reform of European higher education—the beginning of the chain of events that has come to be called the Bologna Process. In 1999, the signatory countries included the then European Union (EU) member states, three European Free Trade Area countries (Iceland, Norway and Switzerland), and 11 EU candidate countries (Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia). International institutions such as the European Commission, the Council of Europe and associations of universities, along with rectors and European students, also participated in drafting the declaration. In the Bologna Declaration, ministers pledged to move ahead with a number of commitments:

- Adoption of a system of easily readable and comparable degrees
- Adoption of a system essentially based on two cycles

- Establishment of a system of credits
- Promotion of mobility
- Promotion of European co-operation in quality assurance
- Promotion of the European dimension in higher education
- Focus on lifelong learning
- Inclusion of higher education institutions and students
- Promotion of the attractiveness of the European higher education area
- Adoption of a system for doctoral studies.

The Bologna Declaration also formulates the objective of increasing the international competitiveness, attractiveness and visibility of the European system of higher education (Bologna Declaration 1999).

Since then, Bologna Process conferences have convened every two years (in 2001 in Prague, in 2003 in Berlin, in 2005 in Bergen and in 2007 in London), with the Bologna Follow-up Group (BFUG) responsible for the continuing development and documentation of the Process. Forty-six countries are now involved and the Council of Europe, the European University Association (EUA), the European Association of Institutions in Higher Education (EURASHE), the UNESCO European Centre for Higher Education (UNESCO-CEPES), the European Association for Quality Assurance in Higher Education (ENQA), the Education International Pan-European Structure, the Union of Industrial and Employers' Confederations of Europe (UNICE), and the National Unions of Students in Europe (ESIB) have all joined at different points participating as observers and consultants. The representative Minister of each participating country signs the official agreements, but these incorporate input from the various stakeholders

involved (see Appendix 10 for a complete listing of major players in the Bologna Process and a timeline with links to key documents).

Concrete progress on the Bologna Process to date includes the following major achievements:

- Adoption of a three cycle system: two basic degrees, Bachelor and Master, were defined first and have been adopted now by every participating country, with common principles currently under discussion for defining European PhD programs
- Development and implementation of common tools to measure student achievement in a transparent way and allow for adequate recognition of degrees between institutions and between countries:
  - The Diploma Supplement - This document is compulsory for every graduate (since 2005), is attached to a higher education diploma, provides a standardized description of the nature, level, context, content and status of the studies completed, and relates it to the higher education system in which it was issued.
  - The European Credit Transfer and Accumulation System (ECTS) - This system is used for credit transfer and accumulation and reflects the total workload required program completion; objectives are specified in terms of learning outcomes and competences to be acquired, as opposed to only lecture hours (full time student workload may range from 1,200 to 1,800 hours per year).
- Adoption of the Standards and Guidelines for Quality Assurance in the EHEA

(2005) that in turn serves as a guide for the establishment of national quality assurance frameworks; agreement on the following actions, which are now under construction:

- Implementation of national quality assurance agencies in each country that will submit themselves to a cyclical review within five years:
- Development of a European register of QA agencies, with a committee that will act as gatekeeper for inclusion of agencies in the register
- Establishment of yearly QA forums for agencies, universities and other stakeholders to discuss developments in the field (EUA 2007).

In spite of these accomplishments, however, there is considerable variance among participating countries with regard to advancement on implementation of the agreed upon objectives. Bologna Process reports cite the issues of student and professor mobility, data collection in all areas, and employability of graduates as presenting particular hurdles. Discussions on these issues continue along with plans for 2010 and beyond. The next conference will be hosted by the Benelux countries and is set for April 2009 (London Communique 2007).

Critics of the Bologna Process highlight the discrepancies between the priorities agreed upon in the various summits and what is actually being accomplished within the participating countries' university systems. While even the critics acknowledge that the essential initial steps have been taken throughout Europe for the creation of the EHEA, they list numerous obstacles that threaten to impede achievement of the 2010 objectives. Primary among these difficulties are 1) the fact that the European Standards and Guidelines for Quality Assurance are not being applied uniformly or consistently; 2) the

gap in pace of implementation among EHEA countries; 3) the “brain drain” to Western Europe and lack of mechanisms to prevent or compensate for this; 4) the fact that the key features of the European Credit Transfer and Accumulation System (ECTS) are not properly implemented or used yet in majority of EHEA countries; and 5) the lack of real curricular reform in spite of the institution of the three-cycle system, which results in degrees of ambiguous value to both the students and the labor market (EBIS 2007).

#### **7.1.1.1 The Tuning Project**

Despite its shortcomings, the Bologna process has propelled other regional initiatives also aimed at reforming the European university system. The largest and most encompassing of these is the Tuning Educational Structures in Europe project, which was launched in 2000 with funding from the Erasmus Thematic Network Programme of the European Commission and now includes 135 universities. Tuning is a project developed by and for higher education institutions that focuses on educational structures and content of studies. It aims to link the political objectives of the Bologna Process with the operation of higher education entities. Tuning comprises the universities’ response to the Bologna Declaration and it works to develop concrete mechanisms that allow for comparability of curricula in terms of structures, programs, credits and actual teaching (Tuning 2007).

The name “Tuning” was chosen specifically to convey the idea that universities are *not* engaged in a “harmonization” exercise directed at their programs and curricula; rather, the objective is to establish points of reference which encourage convergence and common understanding. The motto stresses “*Tuning of educational structures and programmes on the basis of diversity and autonomy,*” indicating the universal desire to

achieve the Bologna objectives of comparability, mobility and transferability throughout the EHEA without sacrificing individual universities' independent and autonomous natures (Gonzalez and Wagenaar 2005).

The Tuning methodology also serves as a platform for developing reference points at subject area level and it rests on five primary lines of action:

1. The definition of generic (general academic) competencies<sup>1</sup>;
2. The definition of subject-specific competencies for particular pilot subject areas (business administration, earth sciences (geology), history, mathematics, physics, education, chemistry, nursing and European studies—these last two disciplines were added in the second phase of Tuning in 2003-2004);
3. The development of the European Credit Transfer and Accumulation system (ECTS) as a tool for program design, the basis of which is student workload measured in hours of coursework;
4. The mapping of approaches to teaching, learning and assessment in the different EHEA countries; and
5. The pursuit of quality enhancement through application of the Tuning approach to internal quality assurance mechanisms and program design and delivery (Gonzalez and Wagenaar 2005).

Tuning has gone through three complete phases, the last of which finished in October 2006. The goals of the first two phases were essentially the adoption of a system of easily readable and comparable degrees, the implementation of a two-cycle

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<sup>1</sup> “Competencies” are described as reference points for curriculum design and evaluation; they represent a combination of knowledge, understanding, skills and abilities—in both general areas, such as interpersonal relations, cognitive ability and systems thinking, and subject specific areas that pertain to a particular discipline such as mathematics or chemistry.



(undergraduate and graduate) system, and the establishment of a system of credits. The final phase concentrated on 1) the validation and consolidation of phase 1 and 2 outcomes, primarily through assisting the Socrates-Erasmus networks (established in 1995 and 1987, respectively, and subsequently merged to form the operational framework for the EC's higher education initiatives) in the use of the Tuning methodology; 2) the dissemination and exchange of information and implementation experiences among the participating countries; and 3) further development of the Bologna Declaration (Tuning 2007).

Though Tuning is generally described as being driven by member states' institutions, it must be noted that the European Commission is responsible for its funding, has acted as a strong champion for the project, and required other Erasmus Thematic Networks to 'Tune' their curricula in accordance with project outcomes. The entire process has been highly political as interested parties have endeavored to balance national and regional agendas in the process of building a higher education system that allows for a more globally competitive European region but that does not create undue interference at the level of the individual institution (Robertson 2006).

In spite of the steady progress on implementation of many Bologna Process and Tuning Project reforms, degree structures and curricula among the signatory countries are widely divergent. The two-tiered system is still ambiguous in some countries where the Master's is generally considered as only an extension of the Bachelor's. Other pockets of resistance are evident as well, even with the attempts at multi-stakeholder involvement in the design of the reforms and tools. Some members of the various student and university advocate groups continue to view the Bologna Process and the Tuning Project as nothing

more than the upshot of market-driven globalization, an abandonment of traditional university systems for an imported system that is being imposed from the top down.

Notwithstanding the criticism, it appears these reforms are inevitable as the erosion of the welfare state and rapid globalization of knowledge and education have pushed this reexamination of Europe's higher education systems. And with the market for international students (particularly from Asia) growing steadily, to not reform could mean forfeiting market opportunity to the United States, Canada, Australia and the UK (Sedgwick 2003). It must be noted, though, this market potential is primarily for UK and Irish institutions because of the language barrier associated with programs outside of English speaking countries.

The Bologna Process and the Tuning project both have served as catalysts for review of higher education systems outside of Europe as well. Tuning offshoot projects are now being carried out in Russia, Africa and Latin America, all with financing from the European Commission, in an effort toward inter-continental higher education convergence.

#### **7.1.1.2 Latin American Convergence**

Following some of the initial Bologna conferences and propelled by the inclusion in these conferences of various representatives from Latin America, the first significant regional agreement on higher education in Latin America, the Florianopolis Declaration, was signed in Florianopolis, Brazil in August 2000 by the Association of Latin American Universities (AULA), the Association of European Universities (CRE) and the Collaboration in University Management: a Bridge between Universities and Scholars in Latin America and Europe (COLUMBUS). The Florianopolis Declaration was a joint

appeal to foster convergence, links and mobility between European and Latin American universities; it produced a proposal for a Latin American-European action plan over the next decade for promoting the efficiency, excellence, relevance, diversity and attractiveness of higher education in both regions.

Based on the output of Florianopolis, the America Latina Formación Académica (ALFA) Tuning Latin America Project came about following the IVth Meeting of the European Higher Education Area for the European Union, Latin America, and the Caribbean (UEALC) in Cordoba, Spain in October 2002. Tuning Latin America is an ambitious, inter-continental initiative supported by the European Commission. It involves 18 countries in Latin America, is designed to facilitate coordination and collaboration among 186 Latin universities, and aims to foster increased interaction with European counterparts as well. The project has four main concentrations reflecting its primary objectives: 1) competencies (generic and specific), 2) approaches to teaching, learning and assessment, 3) credits, and 4) program quality. The undertaking has involved surveying students, employers and universities on learning outcomes and competencies in specified subject areas and then building this input into a tool of translation for use within the Latin American region and in relation to the European Union (Beneitone et al 2007).

Most of the literature on the Bologna Process and its subsequent outreach projects has been produced by one or another group of participants in the process, thus there is a notable bias and tendency to highlight successes and minimize obstacles. In the case of the EU-Latin America connection, specifically, the reality is still quite different from what is documented in the reports and the agreements. For example, the US is and remains the preferred destination of Latin American university students and researchers.

Additionally, the EU in past higher education partnerships has tended to focus on Asia's emerging knowledge economies along with its neighbors in Eastern Europe and the Balkans; Latin America has generally been an afterthought and it is only recently that there is evidence of this changing (ACA 2006). European organizations outside of the Bologna Process but connected to higher education, such as the Academic Cooperation Association (ACA) dedicated to promoting higher education between Europe and outside regions, have now begun to comment critically and, at the same time, work constructively through supportive seminars, projects and information dissemination in an effort to begin bridging some of these gaps.

The first phase of Tuning Latin America (2004-2007) has concentrated mainly on defining generic and specific competencies—with the specific competencies developed in relation to the twelve agreed upon pilot disciplines of business administration, architecture, law, education, nursing, physics, geology, history, civil engineering, mathematics, medicine and chemistry—identifying specific examples of good practice suitable for applying these competencies to the activities of teaching, learning and assessment, and the reference points for determining academic credits. While a considerable degree of consensus was reached for the first two objectives, the issue of credits was somewhat controversial as there is little consensus in Latin America on the use of credits. In fact, the action line of academic credits was omitted from the project as it was initially proposed in Latin America because it was felt to be too sensitive a topic among the participants (Beneitone et al 2007). The issue is, however, one of the essential components of the approach proposed in Tuning Europe (Gonzalez and Wagaaner 2003, 2006) and as there is a clear need to develop in Latin America a shared approach for

calculating the time and work involved in university courses for purposes of transparency, comparability and mobility, eventually enough support for the issue was mustered among the participants of the region for its inclusion in the agenda.

Nevertheless, it remains a thorny topic and though a considerable amount of time has been spent in trying to come to a workable consensus, the most that has been achieved is acceptance by the majority to focus on the measurement of student workload involved in a particular course of study as a base of reference and to utilize the European Credit Transfer and Accumulation System (ECTS) as a model for continued work in this area.

The issue of credit systems and program recognition is closely tied to the issue of quality assurance and accreditation. Throughout Latin America, quality assurance and accreditation systems have developed rapidly in the last decade, primarily in response to trends of increasing economic integration and mobility of skilled labor that began in the 1990s. Often, however, this occurred without the necessary human, institutional and financial resources and amid considerable confusion about the terminology related to quality assurance, accreditation, registration, licensing and qualifications recognition. Comparative analysis of the different systems in existence shows that in spite of the achievements of the past ten years, a number of common problems remain (UNESCO 2005).

Among these problems is the fact that often the development of quality assurance policies and systems has not taken place within the larger national higher education reform process. Also, in many countries, quality assurance policies were originally conceived by government authorities and, thus, are not always been holistically integrated with or even accepted by the whole higher education system. Even among the

more advanced models in the region, such as the Mexican multi-level national system, civil society and the private sector actors are just beginning to participate actively in the movement. And generally the national regulatory mechanisms put in place, whether they are public or private, have not managed to cover all the educational programs provided. Traditional forms of education (primarily public and non-profit institutions) are usually included, but more recent forms of higher education trans-national programs, particularly distance learning or joint degree systems, are typically not yet covered by the existing national regulatory and accreditation systems. Additionally, the focus has tended more toward evaluation and accreditation of programs as opposed to evaluation of institutions, and the emerging diversity of specialized quality assurance systems and agencies has now created a need for the regulation of the quality assurance and accreditation service providers themselves. Because of the varying stages and degrees of these problems throughout the region, they need to be addressed through concerted efforts at national, regional and global levels (UNESCO 2005).

A significant step in this direction at the sub-regional level is the formation of the Central American Accreditation Council (CCA). This Costa Rica based non-profit organization was established in 2003 in coordination with the Ministries of Education of the Central American countries (Guatemala, El Salvador, Honduras, Belize, Nicaragua, Costa Rica and Panama) and the Higher Education Council of Central America (CSUCA) with the objective of promoting the quality and integration of higher education in Central America through national and regional accrediting bodies that have been properly recognized by the CCA (CCA 2007).

### **7.1.2 Regional Higher Education Interaction**

This section presents an overview of the structure and activity associated with the cross-border higher education political interaction on-going in the Latin American region. It also describes Panama's place and role in the recent regional interaction as a means to analyzing the ways in which the regional activity has influenced what has gone on in Panama's university sector over the past two decades.

Many of the issues Panama is facing in the development of its university system—increasing demand, limited public capacity, recent proliferation of private institutions, questionable quality of education and student preparation, and weak infrastructure for dealing with recognition, accreditation and evaluation—are similar to those being faced by other countries in the region and around the world. Therefore, it is not surprising that higher education has become a frequent agenda item for regional and sub-regional bodies in a variety of contexts.

To clarify, “sub-regional” in itself is a complicated descriptive for Panama since the country belongs to a number of different geographical associations, depending upon the specific objective involved. Typically, for anything from trade to cultural exchange, the southern half of the hemisphere (everything below North America) is divided into multiple sub-regions: Mexico, Central America, the Caribbean, the Andean Community (Colombia, Ecuador, Venezuela, Peru, Chile and Bolivia) and the Southern Cone (Brazil, Argentina, Paraguay and Uruguay). These sub-regional affiliations serve to promote the specific interests of particular sections of the region, primarily (though not exclusively) for economically related gains. As far as physical proximity, Panama is closest to Central America, the Caribbean and the Andean countries; however, it manages to maintain a

presence within each of the sub-regional affiliations.

For example concerning trade, though Panama is physically part of Central America, it is not part of the Central American Free Trade Agreement (CAFTA) recently negotiated between the region and the U.S.; rather, Panama is negotiating its own bilateral FTA with the U.S. Panama is, however, one of the countries involved in the U.S. trade programs known collectively as the Caribbean Basin Initiative (CBI) that currently provides 19 beneficiary countries with duty-free access to the U.S. market for most goods—although most of the participating beneficiaries are Caribbean island nations (USTR 2007). Panama also participates as an observer in sessions of the MERCOSUR, the Southern Cone nations' trade organization--although it is not a geographical part of the Southern Cone (MIRE 2007). Perhaps because of Panama's crossroads positioning, its long relationship with the U.S. and its international linkages related to the Canal, it has a history as somewhat of a chameleon in connection with geographical affiliations.

With regard to higher education, there are a number of associations and initiatives operating at the broader, regional level—the Union of Latin American and Caribbean Universities (Unión de Universidades de América Latina y el Caribe, UDUAL) and the Tuning Project described above representing key examples of each. Nevertheless—and contrary to what is happening in Europe with higher education convergence—more of the operational mechanics of integration, exchange and quality assurance are taking place at the sub-regional level in Latin America. Most of the sub-regions have their own particular agreements on credentials, evaluation and/or accreditation and are beginning to develop entities and mechanisms for implementing and monitoring decisions related to



these agreements. Though much remains to be done in order to consolidate, refine and expand upon the initial advances, significant gains have been made, particularly in Mexico, Central America and the Southern Cone sub-regions (UNESCO-IESALC 2007).

To put regional higher education interaction into perspective from the standpoint of Panama, the following table provides a synopsis of the key players at each level and their respective contributions to the evolution of higher education in the region. Panama maintains one or more permanent representatives in each of the sub-regional organizations listed and is associated as a participant, affiliate or observer in the regional and international organizations presented.

**Table 19**  
**Key Regional Players in Higher Education Development**

<b>Organization</b>	<b>Contribution</b>
<b>Sub-regional level – Central America</b>	
<p><b>Sistema de la Integración Centroamericana (Central American Economic Integration System, SICA) – <a href="http://www.sica.int">http://www.sica.int</a></b> SICA is the institutional framework for Central American integration that was officially formed in 1991 by the governments of Costa Rica, Panama, Guatemala, Honduras, El Salvador and Nicaragua and supported by a UN protocol (1993) to promote the realization of an integrated region based on the principles of peace, liberty, democracy and development.</p>	<p>SICA provides a regional, presidential level platform for insertion of discussion and policy making on higher education and the connection of these to a broader economic, social and cultural context. SICA houses various thematic sub-units (on tourism, industry, agriculture, the environment, etc.). The unit related to higher education is the Coordinación Educativa y Cultural Centroamericana (Central American Education and Cultural Coordination, CECC) (see below).</p>

<p><b>Coordinación Educativa y Cultural Centroamericana (Central American Education and Cultural Coordination, CECC) – <a href="http://www.sica.int">http://www.sica.int</a></b>  CECC is the SICA sub-unit directly involved with education, which is made up of the member countries' Ministers of Education and of Culture, along with representatives of the various technical and national commissions.</p>	<p>The CECC fosters cooperation between the CA ministries of education and culture, universities and other educational institutions to drive the development and promotion of</p> <ul style="list-style-type: none"> <li>• National and multilateral research</li> <li>• International scholarship programs</li> <li>• Student and faculty exchange programs</li> <li>• Information exchange</li> <li>• Production of common publications</li> </ul>
<p><b>Parlamento Centroamericano (Central American Parliament, PARLACEN) – <a href="http://www.parlacen.org.gt">http://www.parlacen.org.gt</a></b>  PARLACEN is the permanent regional forum for the political representation of the Central American integration (SICA). It was also formed in 1991 and consists of 20 elected representatives and all former presidents and vice presidents from each member state and 22 appointed representatives from the Dominican Republic.</p>	<p>PARLACEN's mission is similar to that of SICA, but PARLACEN also has the power to formulate political motions and treaties and to act as the only political forum that includes all ideological movements of the member states. The sub-unit directly linked to higher education is the Education, Culture, Sports and Science &amp; Technology Commission.</p>
<p><b>Consejo Superior Universitario Centroamericano (Central American University Council, CSUCA) – <a href="http://www.csuca.org">http://www.csuca.org</a></b>  CSUCA was founded in 1948 with the mission of strengthening and integrating higher education in CA. Its members are representatives of the public universities of the member states.</p>	<p>CSUCA brings together the CA public university system, sets the objectives for university education across the sub-region and has created a number of affiliated bodies and systems to develop specific agenda items. In recent years, with the support of DAAD (the German Academic Exchange Service), its most visible initiative has been the driving of the CCA foundation (see below).</p>
<p><b>Consejo Centroamericano de Acreditación de la Educación Superior (Central American Council for Higher Education Accreditation, CCA) – <a href="http://www.cca.ucr.ac.cr">http://www.cca.ucr.ac.cr</a></b>  The CCA was established in 2003 to promote CA higher education quality assurance through the recognition of national and regional institutional and program accreditation agencies. It is made up of 11 council members—7</p>	<p>The CCA represents the first sub-regional council of its kind in the region—and possibly the world. It has just completed production of a manual and methodological guide and is in the process of carrying out the evaluation of its first national accreditation agency in Costa Rica. It has also helped a number of national and sub-regional accreditation agencies established and has propelled discussion of</p>

<p>country representatives (one from each member state) and 5 sector representatives (from the CA Ministries of Education, the public universities, the private universities, the private sector, and the collective CA student body.</p>	<p>accreditation, evaluation and related quality assurance measures throughout CA—all topics that were relatively unknown in most of the sub-region.</p>
<p><b>Regional level – Latin America and the Caribbean</b></p>	
<p><b>Consejo para la Acreditación de la Educación Superior (Higher Education Accreditation Council, Mexico, COPAES) –</b>  <a href="http://www.copaes.mx">http://www.copaes.mx</a>  COPAES, founded in 2000, is the only official non-government agency validated by the Secretary of Education for recognizing higher education accreditation agencies in Mexico. Though fairly recently established, it is one of the more experienced agencies in the region.</p>	<p>Building on the country's existing experience in the area of evaluation of higher education institutes and programs, COPAES has developed the accepted criteria and procedures for recognition of higher education accreditation agencies in Mexico. As one of the first agencies of its kind in the region, it has also helped lead the way in developing tools and methods for recognizing accreditation agencies throughout Latin America—the CCA among them.</p>
<p><b>Mercado Común del Sur (Common Market of the South, MERCOSUR) –</b>  <a href="http://www.mercosur.int">http://www.mercosur.int</a>  The governments of Argentina, Brazil, Paraguay and Uruguay established MERCOSUR in 1991 with the purpose of expanding their respective national markets through the process of integration and accelerating their economic and human development progress.</p>	<p>The MERCOSUR sub-unit dealing specifically with higher education is the Regional Higher Education Coordinating Commission (CRC-ES) and its primary objectives are 1) the acceptance of common criteria for the accreditation of undergraduate programs, 2) the development of programs to facilitate and promote student and faculty mobility, and 3) the development of inter-institutional cooperation, networks and research initiatives.</p>
<p><b>Unión de Universidades de América Latina (Union of Universities of Latin America and the Caribbean, UDUAL)</b>  <a href="http://www.udual.org">http://www.udual.org</a>  UDUAL was formed in 1949, making it one of the oldest university organizations on the continent open to both public and private institutions. It is based in Mexico's National Autonomous University (UNAM) and is dedicated to regional information exchange and the development of higher education in Latin</p>	<p>UDUAL provides one of the oldest and largest university forums in the region and has consistently worked to</p> <ul style="list-style-type: none"> <li>• Protect university autonomy</li> <li>• Facilitate the development of common structures and administrative procedures</li> <li>• Promote student and faculty exchange and joint research initiatives</li> <li>• Utilize the university systems for economic, social and cultural</li> </ul>

America.	<p>development and integration</p> <ul style="list-style-type: none"> <li>Analyze and develop solutions for common problems facing universities throughout the region.</li> </ul>
<p><b>Red Iberoamericana de Acreditación de la Calidad de la Educación Superior (Iberoamerican Network for Accreditation of the Quality of Higher Education, RIACES) - <a href="http://www.riaces.net">http://www.riaces.net</a></b></p> <p>RIACES was formed in 2003 by the organizations involved in higher education evaluation and accreditation in Latin America, the Caribbean and Spain to promote cooperation and information exchange among the relevant organizations and develop awareness for quality assurance in higher education.</p>	<p>RIACES has brought together the most experienced of the region's and Spain's higher education accreditation and evaluation experts and has helped transfer this expertise to countries and agencies just beginning to form—with the CCA and Panama's CONEAUPA among these. It warehouses a wealth of publications and presentations on the subject and facilitates study tours, workshops and seminars to foster knowledge exchange between the most and least experienced players of the region.</p>
<p><b>UNESCO Instituto de Educación Superior de América Latina y el Caribe (Latin American and Caribbean Higher Education Institute, IESALC) – <a href="http://www.iesalc.unesco.org.ve/">http://www.iesalc.unesco.org.ve/</a></b></p> <p>This regional UNESCO institute evolved in 1998-1999 from the earlier Regional Center for Higher Education in Latin America and the Caribbean (CRESALC) and strives to aid the development and transformation of higher education in the region.</p>	<p>CRESALC and IESALC over the years have served as an observatory on higher education in the region, producing and housing national, sub-regional and regional reports and statistics and fostering programs for information exchange and knowledge transfer between member states. It aims to assist members facilitate the incorporation of information technology systems, evaluation and accreditation in their national higher education systems and link them to other relevant UN agencies and initiatives.</p>
<b>International level</b>	
<p><b>European University Association (EUA) – <a href="http://www.eua.be/">http://www.eua.be/</a></b></p> <p>EUA is the result of a merger between the Association of European Universities (CRE) and the Confederation of European Union Rectors' Conferences, which took place in Spain in 2001. Members are European teaching and research universities, national rectors associations and other organizations active in higher education and research. The EUA mandate includes support to</p>	<p>EUA represents and supports higher education institutions in 46 countries, providing a forum for cooperation and monitoring of the latest trends in higher education and research policies. EUA is also responsible for external promotion of the Bologna Process and increased participation of extra-European partners in EUA Conferences. In this area, the group has contributed to the advancement of the Tuning Latin America Project and has committed</p>

the Bologna process, contribution to EU research policy-making and relations with intergovernmental organizations, European institutions and international associations.	itself to establishing a Dialogue Group or Cooperation Platform for Latin America in the next year.
<p><b>International Network for Quality Assurance Agencies in Higher Education (INQAAHE) - <a href="http://www.inqaah.org/">http://www.inqaah.org/</a></b>  INQAAHE was established in 1991 with the purpose of collecting and disseminating information on current and developing theory and practice in the assessment, improvement and maintenance of quality in higher education.</p>	INQAAHE's experience, information and contacts have been instrumental in the development of many of Latin America's accreditation and evaluation agencies, and the network has provided a platform for disseminating Latin America's own experience in the area as well.
<p><b>German Academic Exchange Service (DAAD) - <a href="http://www.daad.org">http://www.daad.org</a></b>  DAAD is the German national agency for the support of international academic cooperation. It represents the German higher education system abroad, promotes Germany as an academic and research destination, and helps build ties between institutions around the world.</p>	DAAD has been a major partner for the region in the development of the Tuning Latin America Project and the establishment of the CCA, among other initiatives.

Source: NAFSA 2007; websites of the listed organizations.

With the exception of the two Central and Latin American university organizations, all others listed as key players in the regional higher education interaction have been formed in the past two decades. This is indicative of the fact that the issues of integration and quality assurance—the issues around which most of the interaction is based—are relatively new concerns for the region's universities and others involved with higher education. Prior to this in most Latin countries, a single public university or university system controlled most of the higher education in a given country and seldom looked beyond its own national borders (UNESCO-IESALC 2007). Today, the scenario is significantly altered with the massification, internationalization and increased cross-

border activity the university sector is experiencing; as a result, new mechanisms are necessary for maintaining, developing and promoting university quality.

Also interesting to note in the table above of key players is the absence of U.S. organizations—despite the proximity of the U.S. to the region and the extensive experience of the U.S. in matters of university evaluation, accreditation, quality assurance and integration of divergent systems. Instead, Europe is now the major developed partner in Latin America and Central America’s higher education development activity, even though (or perhaps because) Europe is currently going through a somewhat similar process with its own university systems.

### **7.1.3 Panama – Past Evidence of Globalization in Higher Education Legislation**

Just as the early years of the country’s development coincided with the construction of the Canal and the opening of the isthmus to the rest of the world, several of the early higher education laws passed by Panama’s national assembly appear to have been aimed at opening the country to the region as a higher education seat and host to universities that would serve a regional—and not just a national—clientele. Law 20 and Decree 6 of 1917, respectively, authorize the foundation and regulation of the Pan-American University, a higher education institution designed to serve the region, which ultimately does not materialize. Similarly, Decrees 50 and 83 of 1926 institute and regulate the norms for the Bolivarian University of Panama, another regional university concept that does not come to fruition. The same is true for the idea of the Inter-American University (Law 122 and Executive Decrees 647 and 720 of 1943) that was conceived of as an institute to serve all of Central and South America, but which, again, never became a reality.

From this review of past legislative measures that never grew into concrete institutions, it seems clear that the Panama has long held the view that its geographical location has the potential to serve as an educational service hub, just as it does as a transport and business service hub. It also seems clear, however, that obstacles exist to the development of the educational service hub that do not exist for the development of the transport and business service hub.

Further evidence of the early effects of global influence on Panamanian higher education legislation lies in the multitude of bilateral (along with some multilateral) agreements signed by the government in an effort to promote exchanges of instruction and culture (see Appendix 2). Most of these were signed either in the late 1970s or in the late 1990s and were developed primarily with former communist block countries and neighboring countries in Latin America and the Caribbean (Table 20).

**Table 20**  
**Bilateral and Multilateral Educational and Cultural Exchange Agreements**  
**Republic of Panama, 1975 - 2005**

	<b>Year</b>	<b>Agreement Counterpart</b>
1	1976	Central America
2	1978	Rumania
3	1978	Latin America
4	1979	FLACSO
5	1982	Guinea Bissau
6	1996	Greece
7	1997	Peru
8	1997	Mexico
9	1997	Cyprus
10	1997	Argentina
11	1997	Russia
12	1997	Ecuador
13	1998	Guatemala
14	1999	Cuba
15	2001	Spain
16	2004	Saint Kitts and Nevis

Source: GLIN 2008

In terms of the outcomes resulting from these agreements, there is little evidence that strong, sustainable relationships have grown out of any of them. No collaborative research, student or faculty exchange programs, or joint projects of any kind can be linked to the initiatives, apart from a continued association of regional (Latin American) and sub-regional (Central American) higher education professionals and officials, which has been affected by additional factors over the years as is described in more depth below. Like the vision for developing Panama into a regional higher education hub alluded to above, this vision for bilateral higher education collaboration on multiple fronts did not move significantly beyond the conceptualization stage either, despite the number of concrete legislative measures and international agreements enacted. This



suggests that something beyond the legal framework is necessary for turning higher education vision into a reality.

Another important international influence on Panama's university system has been that of the United States through its efforts to create higher education facilities designed to serve Panama Canal Zone personnel. These efforts commenced with the establishment of the Panama Canal (Junior) College (PCC) in 1933—Panama's first university—and continued over the years of the U.S. presence in the Canal Zone. Apart from the creation of the PCC, most of these initiatives involved already established U.S. universities setting up programs or satellite campuses in Panama. Most of this was accomplished through U.S. Department of Defense (USDoD) resolutions, as opposed to national Panamanian legislation, since the activity was generally confined to the Canal Zone, which was under U.S. jurisdiction until 1999. The table below (an extended version of which appears in Appendix 2) shows the chronology of events and the participating institutions.

**Table 21**  
**United States Department of Defense**  
**Higher Education Initiatives in the Panama Canal Zone**

	<b>Year</b>	<b>Institution established</b>
1	1933	Panama Canal (junior) College
2	1957/1996	Florida State University
3	1980	Central Texas College
4	1982	Nova Southeastern University
5	1984	University of Oklahoma
6	1998	University of Louisville

Source: Arjona and Planells 1998

The institutions listed in the table above represent the first foreign higher education entities to establish a presence in Panama. Initially, these institutions were intended to

serve only the Panama Canal Zone personnel but their influence, in some cases, has extended beyond the U.S. presence in Panama. For instance, both Florida State University (FSU) and the University of Louisville<sup>2</sup> continue to operate in Panama today with undergraduate and graduate university education offers that are available to students of all nationalities. Both FSU and the University of Louisville are also mentioned among the more respected of the universities in Panama, according to those interviewed, precisely because of their U.S. connection, which is perceived to be related to a more rigorous university education and, therefore, a more marketable degree.

Another U.S. non-university institution that appears in Panama's higher education legislation trajectory is the Smithsonian Tropical Research Institute (STRI), which established a presence in Panama in 1946 during the U.S. administration of the Canal Zone. With the imminent reversion of the Canal Zone, STRI signed a separate accord with the Panamanian government in 1997 authorizing the institute to continue scientific research activities in Panama in the field of tropical biology (including studies on ecology, geology, archaeology and anthropology) and pledging STRI to share the results of all research projects with the government of Panama. What this legislation fails to include, however, is an opportune article obliging, or at least facilitating, some kind of collaborative and knowledge transfer activity between STRI and Panamanian universities. Thus, to date, there has been relatively little interaction between the institute and local universities, and the majority of STRI researchers are brought in from countries outside of Panama.

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<sup>2</sup> The University of Louisville now operates within a corporate entity called Quality Leadership University that also offers degrees from other U.S. universities (Towson University, the Florida International University, and the College of Notre Dame in Maryland).

A final indirect, though important, U.S. influence on the Panamanian university system is the evolution of the City of Knowledge (Ciudad de Saber), which was introduced in the last chapter and which inherited the facilities of the former Fort Clayton in U.S. Canal Zone. Anticipating the transfer of the Canal Zone to Panamanian control, the Panamanian government passed the requisite legislation (Law 6 of 1998) and incentive package for stimulating the participation of international firms and universities in the City of Knowledge. A decade later, the City of Knowledge hosts around 40 firms, 16 academic programs and over a dozen international organizations (City of Knowledge 2007), but few of the academic programs there have evolved into true university campuses or even degree-granting programs—as I discussed in the previous chapter. The City of Knowledge's more significant accomplishment to date is its recent designation by the United Nations' as the official UN Latin American and Caribbean (LAC) hub for all UN agencies' regional offices (UNDP 2007). This UN resolution has stimulated considerable activity as the many UN agencies—and other international organizations, as well—move their offices from their former locations scattered around the region.

A number of those interviewed for this study considered the City of Knowledge to be a significant step in Panama's university sector development and important for bridging the gap between higher education and private sector, public sector and international development initiatives. Proponents also stress the non-partisan legal structure of the foundation that manages the City of Knowledge as a sustainable advantage. As one civil society participant noted:

The City of Knowledge is a big step forward...it fosters the relation with—and movement toward—the private sector instead of the politicization that has always characterized the [public] university—which has been very pro-Canal, pro-Panama,

anti-U.S. That politicization may have served in the past, but they're still fighting a battle that is over...

Those critical of the City of Knowledge claim that its leadership is, indeed, still politically tied to the University of Panama and not competitive or progressive in spirit; that it has strayed from the original vision by becoming greedy and insecure. Initially, there were reportedly a variety of prestigious foreign universities interested in coming but which became disillusioned when prices for participation became exorbitant and demands of non-competition with public universities became untenable. Critics charge that the City of Knowledge now functions as "little more than a property leasing broker" and that it is not serving the purpose for which it was designed. One of the more vehement interview respondents declared that the City of Knowledge should be closed if it cannot comply with its original mandate and vision. In his opinion,

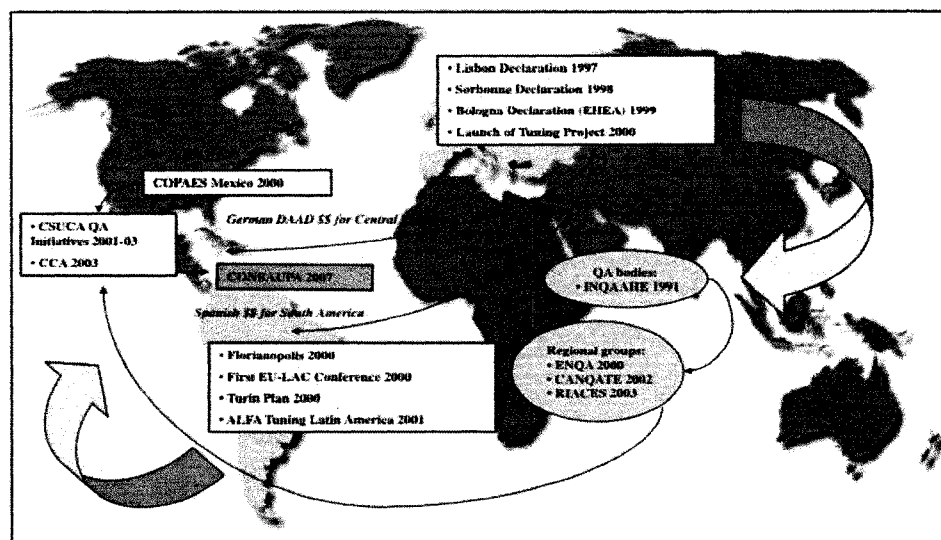
The City of Knowledge was a great idea—as it was originally envisioned. But its leadership is a political appointment by the UP—not at all competitive—so it is subservient to the power that controls it. Even so, it was able to attract some good universities, but it has charged them through the nose! So the universities haven't done that much and can only cater to those that can pay...[the City of Knowledge] has become elitist and has actually propagated a *retraction* of educational opportunity. The vision has died and the City of Knowledge is not functioning—unless it can completely change its culture, it should be eliminated.

While this view is rather extreme, many other interviewees expressed doubts about the City of Knowledge's ability to function as a true university teaching and research base. Still, with so many regional UN offices and international organizations in one location along with the non-governmental non-partisan charter of the City of Knowledge, the potential for a human development knowledge hub in Panama becomes very real—though it is equally likely that the UN LAC hub go the way of the Smithsonian with very little interaction with the institutions of its host country.

#### **7.1.4 Recent Evidence of Globalization in Higher Education: 2000-2007**

One of the influences on the vision for Panama's university sector in the years pertinent to this investigation is rooted in the Bologna process described above. As noted previously, the comprehensive Bologna process that began in 1998 has driven a series of governmental and institutional agreements and concrete changes that aim to harmonize European higher education systems and, ultimately, the higher education systems of other regions as well, including Latin America. The subsequent Tuning project (and other initiatives derived from it) launched in 2000 is the vehicle that has sought to link the political objectives of Bologna with the operation of higher education entities; it has worked to develop mechanisms that facilitate comparability of curricula structures, programs, credits and instruction, both in Europe and throughout the world (Tuning 2007). It is this vehicle, backed by European Union funding, that has been able to catalyze movement toward higher education convergence in Latin America, directly affecting the university sector in individual countries of the region. The map below shows how the Bologna process and the Tuning project set in motion a number of initiatives that are beginning to impact Panama's university system.

**Figure 9**  
**Map of Higher Education Globalization Effects 1990-2007**



The 1997 Council of Europe Lisbon Convention on the recognition of higher education qualifications that sought to promote comparability of degrees and titles conferred throughout the European region—and the joint ministerial (UK, France, Germany and Italy) Sorbonne Declaration (1998) that called upon the universities of Europe to create the European Higher Education Area and to reform higher education structures in an effort to consolidate and improve Europe’s global positioning both laid the groundwork for the Bologna process that was formally declared in 1999. This process aligned governments, multinational organizations and universities in the effort toward higher education convergence.

The idea for a European-Ibero-American higher education area grew from this effort and the 2000 launch of the Tuning project as Latin American government and university officials expressed interest in following suit and the European Union was

willing to reserve funds for assistance toward this end. In rapid succession during the second half of the year 2000, the Florianopolis Declaration was signed in Brazil by representatives of the governments of Latin America and the Caribbean pledging increased cohesion of regional higher education and technological development; the first European Union - Latin America and Caribbean Higher Education Conference was held to outline future steps for regional convergence; and based on the output of these two events, the Turin Plan was then drawn up by university representatives from both Europe and Latin America urging governments to facilitate independent higher education quality assurance measures, invest in the development of networks and review and revise visa policies to aid mobility between countries and regions.

Perhaps the primary reason for the timely follow-up of these Bologna recommendations and their extension into Latin America and the Caribbean region is the significant and continuous EU funding that has backed most of these initial initiatives. German Higher Education Exchange (DAAD) money was directly responsible for moving these priorities in Central America through the Central American Higher Education Council (CSUCA) and ultimately leading to the foundation of the Central American Higher Education Accreditation Council (CCA). (The Spanish Agency for International Cooperation (AECI) funding was responsible for similar activity in South America.) Though exact figures are not available, to date in Central America, DAAD has invested millions in assistance over the 2001-2007 period, which has contributed to CSUCA and CCA technical assistance, logistics and regulatory formulation and implementation (CCA 2007). Without such funding, it is unlikely that large-scale efforts such as Tuning Latin America and the CCA formation, among others, would ever have

gotten off the ground. As one interviewee commented,

Thank God for CSUCA—without them, the CCA would not exist. But thank God even more for the Germans! Without them, CSUCA would never have had the money or expertise to make this happen.

This EU funding has further implications for the way in which the region has gone about developing higher education convergence and quality assurance initiatives. Development assistance always comes with strings attached and the EU strings are tied to European higher education expertise on convergence and quality assurance measures, which is relatively limited given that the region only began to develop these types of initiatives with the onset of Bologna. The United States, which is closer physically to Latin America and has over 150 years of developing university quality assurance measures, might be a more logical source of referencing on the subject but has not been included in any of the discussions to date. Neither, however, has the U.S. made any overtures in this direction toward Latin American with regard to either financial or knowledge-based assistance. Thus, concrete inputs to Bologna follow-up initiatives in Latin America have come primarily from Europe or from within the region itself.

These regional initiatives have directly and indirectly impacted the vision for the development of the university sector in Panama in several ways. They have propelled Panama's participation in Tuning Latin America with both public and private university representatives. This, in turn, has prompted a review of the core curriculum requirements for the pilot disciplines under review in the Tuning project—business administration, architecture, law, education, nursing, physics, geology, history, civil engineering, mathematics, medicine and chemistry—and a comparison of what Panama currently offers with the specific competencies developed for these disciplines by the 18 countries



involved in Tuning Latin America. These competencies have also been publicly presented to and disseminated among university administrators in Panama, though little has been done as yet in terms of regulating the incorporation of the Tuning results into university programming.

Additionally, Panama has maintained an active presence in the formation and development of the CCA. The CCA constitution that officially established the accreditation body in 2003 was actually signed at the inaugural conference held in Panama; the initial Panamanian CCA representatives were instrumental in elaborating the body's technical operating documentation; and the current Panamanian Country Representative now serves as CCA Vice-President. This consistent involvement is particularly significant in light of Panama's tradition of disassociating itself with Central America. As one interviewee put it,

Panama has always had difficulty considering itself part of Central America. Because of the country's history with Spain, Colombia and then the U.S.—plus its ties with other European and Asian countries—Panama usually prefers to keep itself apart from Central America.

Panama's CCA participation may be motivated by the recent explosion of private universities in the country—a phenomenon common throughout Central America—and the growing recognition that some kind of accreditation system might offer the only possibility for imposing an element of quality assurance on the university system. Part of the CCA mission, in addition to accrediting or recognizing national and regional accreditation bodies, is to foster the establishment of national accreditation bodies in countries of the region where they do not currently exist. Such was the case in 2003 with Panama and the CCA affiliation had a decided impact on the country's subsequent

development of the National Council for University Evaluation and Accreditation (CONEAUPA).

Panama's National Council of University Evaluation and Accreditation (Consejo Nacional de Evaluación y Acreditación Universitaria de Panamá, CONEAUPA) grew out of the mandate originally slated for the Panamanian Council of Rectors, which was formed in 1995 and given the task of coordinating Panama's universities and developing oversight mechanisms. After receiving considerable input from the CSUCA, the CCA, and the Ibero-American Network for Accreditation of Quality in Higher Education (RIACES), CONEAUPA was officially established at the end of 2006 through the passage of Law 30. Still, as mentioned previously, its secretariat is yet in the preparatory stages of organization and is only now beginning the process of establishing the administrative and operational activities needed to begin an evaluation of all Panamanian universities and colleges, public and private (Tunnerman 2006; CRP 2007).

#### **7.1.5 The Influence of Local Control**

In accordance with Douglass (2005), the effects of globalization on higher education must be examined not only from the perspective of what is happening at the "meta," or global and regional, level to propel change, but also from the perspective of the local or national environment in order to understand more precisely how broader movements translate into change closer to home. Much of the discussion presented so far on globalization of higher education as it relates to vision centers on the development of standards for quality assurance in an effort to create mechanisms that allow for better comparability and mobility between institutions and regions. The factors that act to affect this type of activity at the local or national level are the academic power structure

and academic culture. Evidence of how these factors operate exists in the legislative and regulatory measures regarding university recognition and oversight as well as in the norms, traditions and political hierarchies established over time.

As a number of reports repeatedly point out (Bernal 2002, IADB 2003, UNESCO-IESALC 2005), Panama's ambiguous and convoluted legislation on many aspects of university oversight make the regulation of any substantive quality assurance measures extremely difficult. This was not much of an issue when there was only a single public university, or even when both the public university and the private Catholic university coexisted. However, in the past couple of decades with the rapid proliferation of private, for-profit universities, oversight has become an issue of increasing concern.

To illustrate, Law 16 of 1963 is the first piece of legislation to regulate the establishment and operation of private universities in Panama and it dictates that the authorization for private university operation resides with the Ministry of Education, with ongoing oversight of private university activity to be presided over by a board made up of a Ministry of Education official, the General Dean of the University of Panama, and the Dean of the relevant School within the University of Panama. However, in the Constitution of 1972 (drafted during the dictatorship of Omar Torrijos and the current Constitution), this oversight function of the board is transferred to the University of Panama alone. Furthermore, the 1972 Constitution stipulates that only academic and professional titles expedited or authorized by the State will be recognized and that the "official University of the State" is the body that will oversee the approved private universities to guarantee the substance of the degrees conferred and revalidate the degrees conferred by foreign universities.

As it stands today, the Ministry of Education is the entity responsible for granting the private universities permission to operate, and the University of Panama is responsible for programming oversight. While the use of the phrase “official University of the State” in the 1972 Constitution causes some problems today—as there are now five official universities of the State, not just one as was the case when it was written—the University of Panama generally assumes responsibility for all aspects of the programming supervision (and jealously guards its controlling role), even though many argue that supervision of anything related to technical degrees and curricula should correspond instead to the Technical University of Panama (UTP), for example, where there is more relevant expertise.

The University of Panama (UP) has long held a powerful position in the republic. As the state’s oldest, largest and most established public university, not only is it the theoretical private higher education boss as the supervising authority for private university curriculum and programming, it is also a strong, autonomous public entity in its own right. Law 11 of 1981 (passed just after the finish of the dictatorship years under Omar Torrijos) reiterates and emphasizes the importance of UP autonomy and extends this autonomy beyond the traditional ideological, teaching, research, financial and administrative boundaries previously cited to include a physical component as well, granting the university a certain inviolability and making it illegal for anyone to enter the UP grounds or facilities without the permission of the Rector—somewhat similar to the privileges enjoyed by sanctified church grounds. This tenet has been employed (and many would say abused) over the years on numerous occasions, but it has not since been overruled or conditioned.

Though nearly everyone interviewed acknowledged the positive role played by the UP in extending the accessibility of higher education to a broader base of the population, the vast majority of respondents was openly critical of the UP with the criticism spanning a range of issues. First to be attacked was the system of insidious paternalism mentioned by respondents in all sectors (government, industry, academia and civil society) and concisely put by two interviewees as follows:

It starts with the way of selecting the Rector—by vote of the professors and students. It is a corrupt system and...has become a monster.

It is an entity unto itself—its own city—there is no control over it. It has become a clique: there is no new blood; the professors do not represent the best there is; there is no change in the culture; the kids and teachers elect the Rector and, in exchange, he protects them. It's a completely corrupt system.

Other criticisms included the UP's lack of up-to-date technology; antiquated and obsolete curricula (the constant exception mentioned was the field of medicine where the UP is still relatively highly regarded); weak connections with both the private sector and the international academic community; deficient research capacity and initiative; and the abuse of its control over the curricular authorization of other universities for either immediate financial gain (outside universities must pay the UP for any programming evaluations and authorizations) or outright thwarting of competition (one private university mentioned waiting five years for approval of a new major—long enough for the UP to copy the curriculum and install it internally).

This last issue of curricular supervision was perhaps the one that sparked the most heated commentary. Of the entire sample of those interviewed, only two supported the current system (with the UP in charge of overall academic programming supervision). As one critic stated,

The University of Panama has no business being involved in anything to do with permission, recognition, supervision...it can't even recognize or solve its own problems.

Another added:

With the power the UP now has, what stimulus is there for academic creativity? For development?

With all curricular approval tied to a profit-generating division of the University of Panama, it is understandable how the current system generates discontent. In addition, and apart from any complaints about lack of transparency or intentional thwarting of competition, the general consensus appears to be that the UP does not have the resources or the know-how to do a proper job in this oversight capacity. All it has in its favor at the moment is the broad constitutional mandate.

To further complicate matters of oversight, neither the criteria for the supervision of private university academic programming nor the criteria for the granting of permission to operate (by the Ministry of Education) are clearly stipulated or transparent—either in the national legislation or the internal institutional statutes, which allows for widely variant interpretations of the law. Appendix 9 provides a copy of the Ministry of Education “Requirements for the Authorization of Operation of Higher Education Centers and Institutes” along with a translation of the document into English. It is a simple document with a minimum of requirements (mostly administrative) to be met by the petitioning institution.

A final difficulty is that neither the Ministry of Education nor the University of Panama possess either the human or financial resources to adequately perform the due diligence required of these responsibilities—particularly with as many private universities as are currently operating in the country. The result over the past 15 to 20

years is a chaotic and virtually unregulated assortment of “university” entities granting all manner of undergraduate and graduate degrees.

Added to this confusion, is the lack of tradition and comprehensive understanding of evaluation or accreditation in the local market. Some still tend to equate accreditation with official recognition (i.e. the official permission to operate from the Ministry of Education, degree recognition from the University of Panama, or even a simple resolution acknowledging the legal existence of a corporate entity) and do not associate it with a characteristic that contributes to the value of a particular university degree. Likewise, there is little appreciation for evaluation (either internal or by peers) as a critical part of ongoing quality assurance activity, and very few universities have any experience at all with evaluation. The University of Panama, the UTP and the USMA are among the few that have completed any internal evaluations whatsoever and even these have not been extensive, thorough or conclusive.

The prospect of evaluation and accreditation also generates significant concern throughout most of the university system since in addition to a lack of familiarity with the process itself, many university officials fear their institutions would not fare well in such a review. Thus, there is widespread reluctance on the part of the universities themselves—and even the government, in some cases—to embrace this type of system and ignorance on the part of the marketplace with regard to the need to insist on such a mechanism.

Recent efforts to introduce evaluation and accreditation as a means to mitigate the combined effects of private, for-profit university proliferation and lack of substantial regulation have produced such initiatives as the creation of the Panamanian Council of

Rectors (CRP) in 1995 and CONEAUPA in 2006, which represent initial steps in the direction of regulating quality assurance for the university sector. Closer examination of both bodies, however, shows them to be lacking in the substantive authority and transparency necessary for bringing about significant change.

The CRP was formed through the leadership of the Rector of the University of Panama and other university education professionals concerned with the rapidly growing sector in an effort to carry out the following mission:

To contribute to the effort of developing a Panamanian university system that, within its substantive functions of instruction, research and extension activities, delivers to society professionals that are integral, upright, enterprising, innovative and committed, as a means of strengthening the national identity and collective well-being (CRP 2007).

The objective is worthy and while the Council has contributed to bringing together certain of the universities and has conducted some relevant studies since its inception, it has made little headway with instituting the types of accreditation measures that would serve to distinguish the more substantive university programs from the rest of what is currently available in the market. Although the CRP did play a role in the creation of CONEAUPA, as alluded to in Chapter 7, the very structure and statutes of CONEAUPA insinuate an entity designed to comply with expected norms as opposed to one designed to catalyze real change.

#### **7.1.6 Summary of the University Vision**

The following table presents a chronology of the key legislation and international accords that have been most influential in shaping the Panamanian university sector. Appendix 2 contains a full account of all Panamanian higher education legislation and international accords, while this table pulls out the few laws and agreements that appear



to have dominated in the development of the university offer in recent years.

**Table 22**  
**Chronology of Key Legislation and International Accords for the**  
**Panamanian University Sector**

<b>Year</b>	<b>Legal Instrument</b>	<b>Description</b>
1946	Law 47	Establishes the Organic Law of Education within the constitution, which grants the state university the power to recognize academic and professional titles as well as to confer titles.
1972	National Constitution Article 95	The new Constitution grants the state university general programming oversight responsibility for all private university institutions established in Panama.
1981	Law 11 Articles 11.8 and 13.3	The UP is reorganized and its role as guarantor of the degrees and titles granted by private universities is stipulated. The UP General University Council is charged with approving and reforming the Regulation on Private University Supervision.
1995	Law 34	Annuls, modifies, adds and subrogates various articles of Law 47 of 1946, the Organic Law of Education, thus amplifying the concept of higher education.
1998	Law 6	The City of Knowledge Foundation is established in the former U.S. military Clayton base as a hub for academia, technological corporations, and national and international development organizations.
2001	UP Academic Council mandate	Sets the oversight regulations for private universities and creates more stringent controls for programming approval.
2002	Articles of Incorporation	The Iberian-American network for Accreditation in Higher Education (RIACES) is formed; Panama signs on as one of the first members.
2003	America Latina Formación Académica (ALFA) agreement	The Tuning Latin America Project is launched in an effort to better convergence and mobility in higher education institutions throughout Latin America. Panama is one of 18 countries participating.
2003	Articles of Incorporation	The Central American Accreditation Council (CCA) is formed with Panama as one of its founding member countries.
2006	Law 30	The National Council for University Evaluation and Accreditation (CONEAUPA) is formed.

To summarize, reviewing Panama's international higher education involvement over the past two decades and its national higher education legislation, the vision Panama is trying to develop for university education appears closely linked to 1) convergence (with regard to the competencies created by university programs in Europe, the U.S. and the rest of Latin America and the Caribbean), 2) improved mobility (of both students and faculty) and information exchange, 3) better defined and implemented quality assurance mechanisms, and 4) provision of higher education services to those of the region (and not just to Panamanians).

Nevertheless, certain local factors such as the existing academic power structure and culture—and its near absolute concentration in the University of Panama—along with the general lack of academic capacity appear to present obstacles to the realization of important aspects of this vision. And because the existing academic power structure is grounded in national legislation (primarily the Constitution of 1972 and Law 11 of 1981), it is not something that will be easily changed or negotiated.

### **7.1 Legislative and Economic Factors Contributing to the University Business Opportunity**

As Panama has gone about combining global and local inputs to develop a vision for its university system over the past couple of decades, the market, with its own combination of global and local inputs, has produced a set of circumstances that contribute to making university education an attractive business opportunity. This portion of my analysis of the university system relates to the perspective of the economic frame and examines the factors of the growing client base, market demand and the institutional supply.

### 7.2.1 The Growing Client Base

Panama's growing client base for university education is in line with the experience of much of the rest of the developing world and reflects recent shifts in demographics, improved rates of primary and secondary education completion, and changes in economic structures (Kapur and Crowley 2008). Demographic shifts have resulted in the bracket of youth increasing steadily over the past decades; this segment now accounts for around a third more of the Panamanian population than it did 10 to 20 years ago (DEC 2007).

In 1960, the population aged 15-34 years (the age bracket most linked with demand for university education) accounted for 31 percent of the population, whereas by the year 2000 this same bracket had grown to represent 36% of the population (Table 23). In 2006, the 15-34 year-old bracket made up nearly 40% of the population (DEC 2007).

**Table 23**  
**Demographic Trends, Panama 1960-2000**

<b>Year</b>	<b>Population aged 15-34</b>	<b>Percentage of total population</b>
<b>1960</b>	344,040	31%
<b>1970</b>	471,012	31%
<b>1980</b>	666,199	34%
<b>1990</b>	888,155	37%
<b>2000</b>	1,048,929	36%

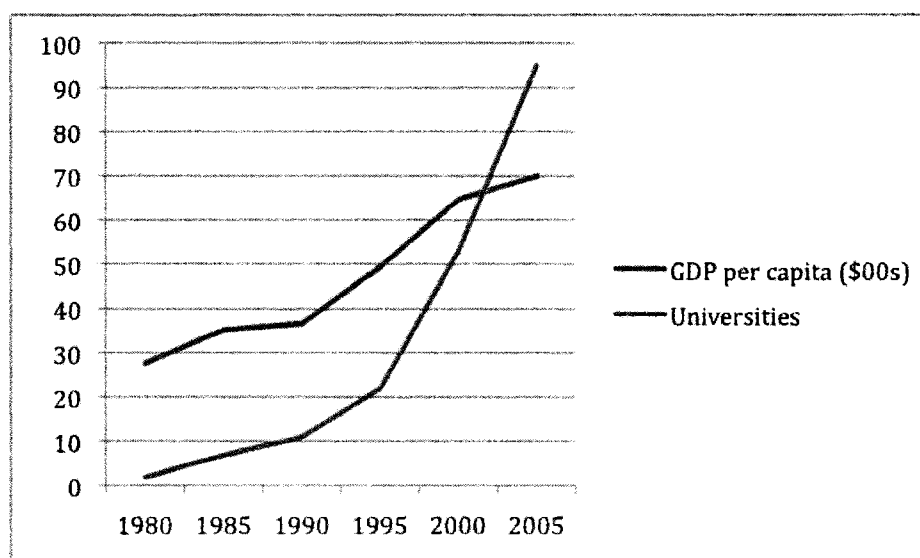
Source: Direccion de Censo y Estadisticas, 2002.

At the same time, Panama has progressed with getting more children through the primary and secondary school systems. Panama looks set to achieve the Millennium Development Goal of universal primary education in 2015 and while the secondary school education rate is not nearly so high, it has come up significantly in the past decades with enrollment now at around 40 percent of the corresponding population

bracket overall nationally and double that, or nearly 80 percent, in the urban areas (COSPAE PREAL 2007).

Changes in economic structures—both in the market and in the disposable income of families and individuals—have also influenced the university client base. As noted in previously, Panama’s GDP per capita nearly doubled between 1990 and 2004 going from \$2,214 to \$4,291. While this is an average figure, it is nevertheless suggestive of a general increase in disposable income, particularly as inflation figures for the period seldom rose above one percent. The figure below shows how the increasing per capita GDP statistics relate to those on university growth. In the same period, Panama’s economic structure continued to rely heavily on services, which were consistently responsible for three quarters of GDP (WDI 2006).

**Figure 10**  
**Increasing GDP per capita and university growth, Panama 1990-2005**



As Panama continues to define itself as a service economy, advanced education becomes an increasingly important prerequisite for securing gainful employment. Salary

levels tend to be higher for those with higher levels of education (Table 24) and as Panama attracts more foreign direct investment and multinational corporate entities, this trend is expected to continue and intensify (Euromoney 2006, Latin American Business Chronicle 2007).

**Table 24**  
**Average monthly salary by education level**

<b>Education level</b>	<b>Average monthly salary</b>
<b>Incomplete primary education</b>	Less than \$200
<b>Primary education</b>	\$230
<b>Secondary education</b>	\$400
<b>University education</b>	\$800

Source: Consejo Nacional de Educación 2006; Dirección de Estadística y Censo 2004

All of these factors—shifting demographics, improved primary and secondary education coverage, increasing GDP per capita, and continued dominance of the services sector—feed into the increased demand for post-secondary education options. By 2005, Panama registered around 30 percent of its youth enrolled in university courses—well over the Latin American average of 19 percent (CONACED 2006).

### **7.2.2 Market Demand**

As noted throughout this research, Panama is unusually dependent upon services, which comprise 75 percent of the economy. While this dependence on the service sector is not a recent development and not particular to the timeframe corresponding to this study (1990-2007), what is noteworthy is that over the period considered, Panama's GDP has roughly tripled, meaning that the volume and value of activity in the sector has increased markedly.

Breaking down contribution to GDP further, transport, finance, retail and wholesale commerce, real estate and construction emerge as the major contributors (Table 25). It is also important to note that in the past several years each of these industries has grown (in terms of relative contribution to GDP compared to the prior year) at an annual rate of 100-200 percent or more (DEC 2007). Tourism is another area that has grown exponentially in the past decade (see Chapter 3 for more detail), but since the national statistics do not measure this as a separate category of economic activity related figures tend to fall within other categories such as transport, hotels and restaurants, or construction, for example.

**Table 25**  
**Major Contributors to GDP, by Sector**  
**Republic of Panama 2007**

<b>Sector</b>	<b>Contribution to 2007 GDP (%)</b>
Transport	30.0
Finance	13.0
Retail and Wholesale Commerce	11.2
Real Estate	10.2
Construction	8.1

Source: Dirección de Estadísticas y Censo 2007

The significance of this sector growth for higher education is that these areas are the ones that are currently creating the most employment and requiring the most in terms of human capital (Panamanian Chamber of Commerce 2008). Unemployment has fallen significantly in recent years from around 14 percent even in 2004 to less than 10 percent at present (DEC 2007; Panamanian Chamber of Commerce 2008). Also, as these high growth sectors become increasingly global, the related human capital qualifications become more sophisticated, which has implications for the university sector.

Judging from the perceptions recorded in the interviews for this study (and which are presented in more depth in the next chapter), the majority of respondents feels that Panamanian universities are not keeping pace with the country's economic development and not adequately servicing the demand generated by the market. "Lack of integration with the private sector" –in terms of the breadth of majors offered, curriculum content, and research and development—was cited as among the four greatest weaknesses of the university sector (along with poor quality overall, poor oversight mechanisms and poorly prepared professors). "Redirecting development of the sector toward market demand" was also the third most often cited action required for reforming university education in Panama, and the second most often cited action (after concentration on English language skills) necessary for improving the country's competitiveness. Those outside of the university sector (business, government and civil society) were especially critical regarding the university-productive sector disconnect. As one businessman put it,

I would only hire someone [with a degree from] the USMA or the UTP—and none of the rest of the local universities. I wouldn't even hire a Panamanian with a degree from somewhere else in the region—for that type of knowledge I might as well hire one of Venezuelans, Colombians or Argentines already here...But for a high level position, I'd prefer someone educated in the U.S., Canada or Europe. It's a different mentality.

This view appears to represent not only the thinking of one individual or an isolated organization or a single sector but rather the collective thinking of the Panamanian market in general. A local public and private sector consultancy recently released a white paper on the Panamanian labor market that indicated 80 percent of the country's middle and upper management hold university degrees from non-Panamanian universities (Goethals 2008).

### **7.2.3 Institutional Supply**

The growing potential university student/client base and the escalating market demand for higher education, particularly in the area of business services, have created the backdrop in Panama for the recent changes in the university offer. These two factors in combination with the additional market conditions described in the sections below have transformed the institutional supply of university education in Panama over the past twenty years.

#### **7.2.3.1 Legal Structure**

Perhaps the most influential factor in the development of the institutional supply—or university offer—in Panama has been the country’s flexible legislation on establishing corporations. Evidence of this is reflected in the fact that, according to the national Public Registry, nearly all of Panama’s non-state universities are legally established as corporate entities, more than half of which are not recognized by the Ministry of Education but which are “legal” nonetheless.

Panama was among the first countries to introduce legislation that allows for the establishment of offshore corporations for tax planning purposes. Panamanian law is generally based on the Spanish Civil Code, though corporation law is patterned after that of the state of Delaware in the United States and was originally legislated through Law 32 of 1927.

According to this law, a Panamanian corporation can conduct business with few restrictions in foreign countries; borrow money and incur liabilities in connection with the business—or for any other lawful purpose; issue bonds, notes and other debentures; take part in any activity deemed necessary for achieving any of the objectives detailed in



the Articles of Incorporation or for protecting the corporation; and, in general, conduct any other legal business transaction. Share certificates may be issued to the bearer, thus concealing the identity of the original investor(s), and numbered accounts (also anonymous) are permitted. Barring a violation of Panamanian law, a Panama-based corporation cannot be forced to divulge confidential information to authorities either in Panama or abroad. Additionally, since there are no exchange controls in Panama, corporations may transfer funds with relative freedom and transactions may be carried out in any currency. A minimum of two people, though not necessarily Panamanian citizens or residents, may form a corporation and there is no minimum capital requirement or timeframe within which the capital must be paid in, except in the case of issuance of bearer shares. Panamanian corporations must have a Resident Agent that is a Panamanian attorney or law firm. A foreign corporation may exist under the laws of Panama even without specific legislation to that effect in the jurisdiction of origin; similarly, a Panamanian corporation may exist under the legal jurisdiction of another country, provided the articles of incorporation allow for this. Panama offers complete tax exemption on foreign source income and on transactions carried out outside the republic, even if these are managed from Panama. The corporation is required to pay a modest annual fee to the government but is not required to hold annual meetings or file annual accounts (Legal Info Panama 2008; Law 32 of 1927).

Finally, there is no legislation or regulation in Panama prohibiting an educational entity of any level from being established as a corporation—or prohibiting a corporation from carrying out educational activities for profit.

### 7.2.3.2 Programming Structure

Among the theoretical benefits of private sector participation in higher education are the broadening of the university offer—in terms of increased subject matter diversity and choice for students—and the incentive it provides for public universities to become more innovative and up-to-date (World Bank 2002). Unfortunately, this appears not to have been the case in Panama with the proliferation of private universities.

Interviewees from all sectors cited improved diversity and innovation as a desired goal of private sector involvement in university education, but lamented what they see as a mere propagation of existing university programming with the same materials, instruction and even professors. They discussed the need at both public and private levels for 1) curriculum reform and movement away from an outdated, primarily theoretical orientation, 2) diversification of the range of potential studies (particularly in the more technical areas), and 3) improved instruction, with more analytical and learning-based interaction as opposed to reliance on simple information provision and memorization.

Interview participants—even those from the university sector itself—perceive an over-supply of courses directed at business administration and law and a dearth of technical (engineering, medical and scientific) programming. This is further substantiated by Panama's national statistics office that reports 40 percent of all undergraduates enrolled in administrative, economics, law and information technology related studies but only 13 percent enrolled in medical and science related fields and 12 percent in architecture and engineering (Table 26). And since these statistics do not contain figures for any of the private universities (apart from USMA), they tend to

significantly over-represent science, medicine, engineering and architecture and under-represent the business related fields.

**Table 26**  
**University Undergraduate Enrollment by Major**  
**Republic of Panama 2002-2006**

	2002	2003	2004	2005	2006	Ave.
<b>Public universities and USMA</b>						
Business related*	42%	42%	40%	39%	37%	<b>40%</b>
Science and medicine	12%	12%	12%	14%	14%	<b>13%</b>
Engineering and architecture	11%	12%	12%	13%	14%	<b>12%</b>

**\*Note:** Business related majors include those in the fields of business administration, law, information technology and economics.

Source: Dirección de Estadística y Censo 2002-2006

Many informants (primarily, though not exclusively, from business and civil society sectors) mentioned the poor infrastructural conditions attached to most university programming—particularly with regard to lack of laboratories, equipment, libraries and technology—but even more noteworthy was the concern with the lack of academic capacity in general. As noted above, poor professor quality was among the three most frequently cited weaknesses of the Panamanian university system. Participants cited numerous reasons for this capacity gap from low salaries (propelling the need for professors to teach in multiple universities to make ends meet), to lack of support for research initiatives, to deficient instructor preparation, to lack of esteem for the academic profession in general. As one interviewee summarized,

We just don't have what it takes to give students what they need to work. We don't teach them how to manage *knowledge*. We are lost...we have to recuperate the social value attached to being an academic—it used to be better. In developed countries, this profession has prestige...not here.

The average level of both education and knowledge of university professors in Panama is perceived to be relatively low; while, nearly all hold bachelor level degrees, only some hold master level credentials. One university administrator interviewed asserted that the situation is improving and that now around three-quarters of university professors in both public and private institutions hold a Master's, but this was not supported by any of the rest of those interviewed nor by any available statistics. And while it is true that an increasing number possess doctoral degrees, the value of many of these degrees is questioned. Of those interviewed that were directly involved in university education, just over half had doctoral degrees (most granted from institutions outside of Panama), but two had obtained these degrees in a single year, *without* obtaining a Master's or the equivalent, and another blatantly refused to disclose where he had earned his PhD.

The infrastructure issue, though not as frequently mentioned as that of human resources, is still a concern. In terms of the traditional image of a university campus, replete with libraries, laboratories, multiple department buildings and classrooms, auditoriums and cafeterias, there are only several in Panama that even remotely fit this description: the University of Panama (UP), the Technological University of Panama (UTP) and the Catholic University (USMA), and to a lesser degree, the private for-profits Universidad Latina and ULACIT. And while the UP still has the traditional structures listed above, many of these have fallen into states of obsolescence or serious disrepair. The majority of the existing universities are operating out of converted apartment buildings or office spaces—allowing for minimal overhead but little for students in the way of support facilities. As one interview participant mentioned,

They are now using facilities for higher education that should not even serve for elementary school.

These non-traditional university spaces also tend to be highly utilized, with multiple classes rotating through the existing classrooms at peak hours, which tend to be in the evening. This shift in the typical class schedule represents an important university programming change in recent years that has been incorporated by both public and private institutions. While some universities—mainly the public institutions and the USMA—still offer daytime courses and cater to some full-time students, most are targeting the already employed young and middle-aged adult. This has resulted in more evening, weekend and even online classes, along with a quarter system “modular” approach to scheduling as opposed to the more traditional semester-based calendar. Students of most universities can now earn—and pay for—university credits in a more piecemeal fashion without having to take what is usually considered a full semester load of several classes. There are also seldom any time limits placed on degree completion.

Among the interview participants, there was widespread agreement (across all sectors) on the principal deficiencies associated with the recent growth of Panama’s university system: (1) poor quality and lack of substantive oversight systems, (2) proliferation of similar, “watered down” programs in a concentration of business service related areas; (3) an over-reliance on a limited, inadequate professor pool; and (4) minimal, inadequate and deteriorating infrastructure. There is, however, also a general consensus that with the increased demand for higher education—from both potential clients and potential employers—and the increased supply of university options, higher education is now more accessible for a larger portion of the population. More Panamanians are going on to study and earn degrees at the university level. Panama now

boasts a tertiary education enrollment rate of at least 25 percent (even public figures differ depending on the source), which represents a major change from two decades ago when the rate was less than ten percent of the representative age bracket.

#### **7.2.4 Summary of the University Business Opportunity**

To summarize, multiple factors have contributed to making university education an attractive business opportunity over the past two decades in Panama: (1) a growing client base (due to shifting demographics, increased disposable income and improved lower level educational coverage); (2) increased market demand for business services knowledge, particularly in the areas of transport, finance, commerce and real estate (most of which are not associated with investment intensive education); (3) flexible incorporation laws in Panama which allow for educational corporate entities to be set up in less than a week; and (4) the feasibility for establishing minimal institutional infrastructure quickly, easily and inexpensively (by relying on existing university programming and professor pools, offering courses in more businesslike—and less overhead-intensive—environments, and achieving higher student turnover in evening and weekend hours).

The magnitude of the collective effect of these factors is further substantiated by the findings put forth in the previous chapter. Nearly everyone interviewed claimed the potential business opportunity for providers, together with the market demand and ease of establishing a university entity, was most influential with regard to driving the recent explosion of university offers in Panama.

#### **7.3 Evidence of the University Vision and Business Opportunity in the Current University Offer**

Although there exists abundant documentation and legislation substantiating Panama's evolution toward a vision for university education that embraces international convergence, mobility, academic collaboration, and quality assurance mechanisms, there is more evidence to suggest that what is reflected in the current university offer is linked to what makes university education an attractive, immediate business opportunity.

### **7.3.1 The Evidence**

First and foremost, the vast majority (over 90 percent) of non-state universities registered in the Public Registry are for-profit corporate entities, suggesting that their primary motive is the generation of income as opposed to the generation of knowledge. And while it is true that there are still more students in the state universities than in the private universities, the national figures reported—80 percent of university enrollment in state institutions versus 20 percent in private institutions (MEDUCA 2007)—are questionable since they include less than half of the private institutions currently registered for operation (those that appear on the official Ministry of Education list). Additionally, in terms of number of new institutions per year, the private universities are clearly proliferating much more rapidly than either the state or the non-profit institutions.

Another indication of business dominance is in the number of graduates in majors related to business services, which far exceeds that of graduates in any other field. This may be because there is more market demand for these types of skills or it may be that these types of courses are easier and cheaper to provide; this study does not go as far as the explanation for the phenomenon but whatever the reason, it would appear to relate principally to business motives at one level or another.

More importantly—and more worrying—perceptions overwhelmingly indicate

that university graduates in general are not adequately prepared for professional work in almost any field, business related or otherwise. Interviewees across sectors and from all manner of backgrounds expressed concern with the quality of current university education (public and private)—in terms of both depth and application to present market needs. Specifically related to the business-before-vision issue, many interviewees voiced negative opinions on the substance of the private university offer insinuating that, with the exception of the Catholic university, the private universities were solely interested in selling course modules and not necessarily teaching students, or even graduating them from entire programs. Paradoxically, this may have negative implications for the business vision of the country as a whole; as one participant illustrated,

Hewlett Packard just announced that it was creating 5,000 jobs here in Panama—but who are they going to hire? We do not have the trained personnel.

The more extreme of these concerns brought up the phenomena of “garage universities”<sup>3</sup> and “diploma mills.” As one interviewee commented,

Everyone is giving out a degree...you have even these “garage” universities now, without infrastructure, without equipment, without qualified professors—with just a sign hung outside of an apartment building!

Another participant noted the same phenomenon and added that it has the effect of diminishing the university sector as a whole. She said,

[The university sector] has become a diploma mill—every street corner has a “university.” Quality has been forgotten...the present state of higher education is not acceptable.

Interviewees questioned not only the value of the institutions and the degrees themselves, but also the authenticity of the degrees. These comments were likely linked

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<sup>3</sup> “Garage universities” is a term used to describe the low quality, unaccredited, often unrecognized institutions that have proliferated throughout the developing world over the past two decades; they sometimes disappear as quickly as they appeared further complicating students’ issues with certification (World Bank 2000).



to a variety of recent stories in the media<sup>4</sup> that have reported on existing and fictitious entities producing seemingly “real” diplomas for students that never undertook any coursework or for students that took several courses but did not complete the requirements for a degree title.

These issues could lead to a devaluing of Panamanian university degrees, particularly of those from private, corporate universities. This bodes poorly for Panama’s ability to keep up on the human resource front with the current rate of the country’s economic development and the current demand for higher education. It also, ironically, threatens the very existence of the for-profit universities unless they can somehow demonstrate the substance of their offer.

### **7.3.2 Potential Explanations**

Three major factors appear to work together to contribute to the current situation of the Panamanian university system being more business opportunity (and less vision) driven oriented.

First, the financial incentives associated with the business opportunity are relatively immediate: it takes little time and money to register a corporation and set up a low-overhead business oriented education program, and the revenue generated (often in cash) is generally paid up front, which makes for a much more cost-effective and profitable business operation. This is especially true if the classes can be offered in modules that require less class time and coursework than would normally be associated

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<sup>4</sup> The following are examples of press stories on academic fraud that have appeared in Panama’s leading newspapers over the past couple of years:

- “Ministry to review all teachers’ diplomas” (MEDUCA revisará los diplomas de todos los docentes), Panama America, July 7, 2008.
- “Congressmen invent degrees” (Diputados inventan títulos), La Prensa, April 8, 2008

with international standard university credits. So, with minimal investment and high rotation of students, a legally registered “university” operation might become profitable almost immediately.

Secondly, since quality assurance mechanisms are not yet in regulatory and functioning order in Panama, the present lack of stringent regulation of higher education oversight—and the lack of political and academic will to resolve this—assures there is little danger of low quality university operations being shut down in the short term as long as they do nothing blatantly illegal. This lack of oversight capacity is further compounded by the cost and effort required for bringing the higher education evaluation and accreditation legislation to the implementation and regulation stage.

Thirdly, the slow reaction of market forces to correct for the situation allows the status quo to continue. Weak civil society traditions, general lack of public concern for the deteriorating university conditions, and an available pool of foreign-educated talent feed into the market’s sluggish response. But it is also probable that more concrete factors such as the poor quality of public secondary education and the relative lack of vocational alternatives do as well. With so few post-secondary options, students and potential employers alike may feel that some university training, regardless of how poor, is still preferable to none at all.

These potential explanations are largely speculative, but they do follow logically from the findings of the research presented and suggest areas for future investigation.

## **Chapter 8 - Stakeholder perceptions: The views of key university, government, private sector and civil society leaders on the current university system**

Previous chapters set the stage for a discussion on globalization and its effects on the recent development of the Panamanian university sector. This chapter presents the findings extracted from the interviews conducted in Panama and in the Central American region. It begins by presenting data and perceptions on the university sector throughout Central America to provide a point of reference for Panama. It then gives an overview of the perceptions of the different stakeholders involved in the evolution of Panama's university system with regard to the sector's current strengths and weaknesses and how these translate into opportunities and threats for the country's competitiveness.

On certain issues, there was a fair degree of unanimity across all types of stakeholders interviewed (universities, government, quality assurance bodies, and private sector and civil society). On other issues, there were noticeable differences between the representatives from the different groups, particularly in the case of university and non-university respondents.

### **8.1 The University Sector in Central America**

This opening section of the chapter provides a brief overview of the university sectors of the other Central American countries—Belize, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua—in terms of data and statistics and in terms of perceptions recorded from interviewees. This is provided as a reference point for comparison with the Panamanian university sector.

There are a number of similarities between Panama and the rest of Central America. Historically, the countries share a similar story of a centralized education system with a single major national university that maintains some kind of oversight control over private higher education initiatives. Over the past 15 years, with the exception of Belize, all of the Central American countries have witnessed growth in higher education very like the growth seen in Panama during the same period, with considerable increases in student enrollment and largely uncontrolled proliferation of (mostly private for-profit) universities (Arjona 2007).

The table below shows the current situation in terms of number of higher education institutions per country and the respective percentages of the population in each country with access to higher education. Particularly in Costa Rica, El Salvador, Nicaragua and Panama the explosion of private entities is impressive—though Panama provides the most dramatic example, by far, of this trend. The percentage of the population with access to higher education varies considerably among countries, as does the distribution of enrollment between public and private entities. In Panama and Honduras, the public university sector still accounts for over three-quarters of total university enrollment; in Costa Rica and Nicaragua, enrollment is split almost evenly between the public and private university sectors; and in El Salvador and Guatemala, the private university sector now accounts for more of the total enrollment—75 and 65 percent, respectively (Arjona 2007).

**Table 27**  
**Number of Public and Private Higher Education Institutions (HEIs)**  
**in Central America by Country, 2007**

Country	Public	Private	Total HEIs	% with access to HE
<b>Belize</b>	1	NA	1	NA
<b>Costa Rica</b>	4	55	59	35
<b>El Salvador</b>	1	25	26	18
<b>Guatemala</b>	1	10	11	10
<b>Honduras</b>	2	8	10	12
<b>Nicaragua</b>	4	37	41	12
<b>Panama</b>	<b>5</b>	<b>82</b>	<b>87</b>	<b>25</b>
<b>Total HEIs</b>	18	217	235	19

Source: Arjona 2007, Higher Education Policy and Regional Accreditation in Central America (NAFSA)

In addition to their countries exhibiting university growth patterns comparable to those of Panama, the other Central American countries representatives interviewed (14 in total) voiced a number of similar perceptions on the effects of this growth. As was the case for Panama, across the region, the business opportunity for the provider of higher education services ranked highest as the single most important driver of recent university growth, regardless of the country. In second place ranked the increased demand for university degrees in the labor market and the ease with which entities are able to secure official permission to operate. There did appear to be less perception of foreign university interest in the other Central American countries, however, versus what was reported for Panama.

Across the range of Central American respondents, the most significant benefits associated with the university sector growth of the past couple of decades were (1) increased availability and accessibility of higher education to more of the population, and

(2) increased diversity of the kinds of studies and degrees available. One interviewee summarized this new opportunity as follows:

Higher education is no longer elitist. Before, it was a privilege for only a very few rich people, now it is massive... almost anyone can go to university.

Others commented on how this phenomenon that has opened the field of higher education to a broader segment of the population has also broadened the perspective of higher education itself. One respondent stated,

There is a broader vision of higher education...of what it offers and who can go and take advantage of it...

One respondent tied this directly to diminished dominance over universities by various power structures that previously determined most of the aspects of education and decisions about who would be able to partake of it. He said,

There is more autonomy--more freedom of education now exists in the region. Universities no longer depend exclusively on the army, the government, the church...

The most noticeable negatives associated with the growth were disparate and sub-standard educational quality, lack of credibility, and a commercialized view of higher education replacing the vision of higher education as a public good. One respondent also tied the quality issue to that of information dissemination, noting that

The quality and the range of quality that exists is a problem...plus, the lack of information on this.

Some were also critical of the private sector providers whose primary motivation is profit oriented as opposed to education oriented. One person alleged,

There is not yet any real commitment among the majority of the private universities...and they have no tradition of quality.

Others tied the quality issue to lack of human resources, training and experience—particularly for research and development. One university sector participant noted how difficult it is to impose or maintain standards without the base of sufficient resources saying,

There aren't sufficient academic human resources to maintain the quality of the system, especially in the area of research, and with the low salaries and professors working in two or three places at once, it is difficult to maintain standards.

Both positives and negatives reported at the regional level were consistent with the perceptions reported in Panama. The same was true for the immediate priorities for the university sector: 1) improved quality (through better teaching and curricula), and 2) the implementation of regulatory mechanisms for evaluation and accreditation of higher education entities.

Some interesting differences were noticeable in the regional responses. There was less preoccupation with the disconnect between universities and the private sector than was indicated during the interviews in Panama. Granted, the non-university sector was not as well represented in this sample as it was in the Panamanian sample, but only a couple of regional respondents spoke at any length on this topic and the risks it implies. What was mentioned more frequently at the regional level was the importance of national higher education policy—and the dangers of the perceived lack of such policy. Interviewees mentioned as exemplary the success of Costa Rica in the 1960s and 1970s with national policy directing higher education toward the professional areas most needed in the country at the time and also the experience of El Salvador with its passage of new legislation in 1995-6 mandating university evaluations. Most of the Central American countries presently do not have particularly well-developed national higher education

policies and respondents saw that as an obstacle for quality assurance implementation.

As one educator commented:

We have to be realistic...[establishing evaluation and accreditation measures] is going to have a pretty limited effect in the absence of broader higher education policy (related to investment, technology, etc.)...it is a good step, but not sufficient.

Another striking similarity across the region is the lack of quality assurance mechanisms—or even monitoring systems—in place to deal with the recent proliferation of institutions. As noted above, only El Salvador has legislation on higher education evaluation and while all of the countries except Honduras now have at least the framework of a national entity established for the evaluation and accreditation of higher education institutions, few of these bodies are actually operating successfully. Regional respondents all noted the enormity of the challenge of changing the mindset in their respective countries to embrace the concept of evaluation and accreditation in higher education—particularly given the lack of experienced human resources available to manage this transition. Still, more at the regional level expressed some degree of faith in the mechanisms established at the national and regional level—through CSCUC and the CCA for Central America—for at least educating the public on the issue. The interview responses in Panama did not reflect the same degree of hope and confidence in the national and regional quality assurance structures, as I will show in the following sections of the chapter.

## **8.2 Globalization and Higher Education**

At the start of the domestic interviews, I asked respondents for their views on globalization and its relation to the development of the Panamanian university system. Globalization, as mentioned in the opening chapters, is not so much a recent phenomenon



as it is an intensification of the age-old process of worldwide interconnection and exchange as a result of changes in the environment—particularly those of a technological nature—that have dramatically affected the speed with which these connections and exchanges take place. While it is true that the term “globalization” may mean a variety of things depending upon the context in which it is used, in this study both the domestic and regional participants across all sectors—academia, government, business and civil society—treated the concept of globalization in similar ways. The participants mentioned several major themes in their definitions of the term (in order of their frequency of reference):

- Worldwide exchange of goods, services and people;
- More open markets with fewer barriers to trade;
- Increased connectivity and mobility, propelled by technological developments;
- and
- Enhanced opportunities for knowledge and cultural exchange.

Participants defined globalization first and foremost as economic change. The majority also mentioned that it came with both advantages (such as cheaper goods, better access to learning, faster communications) and disadvantages (such as lost jobs, widening inequalities, financial fluctuations). Most of the interviewees tended to feel that the driving influences of globalization were usually set in motion by developed countries—putting those in developing countries on the receiving end in a more reactionary position.

This illustrative quote captures that sentiment:

Globalization means internationalization, integrated communications, trade and exchange with fewer barriers...we are all in the same boat now—but that boat is being driven by the developed countries, not the developing countries.

The domestic interview participants were also fairly unanimous in their perceptions of what globalization had meant to the development of Panama in the past two decades. Nearly every respondent mentioned that Panama and its economy have always been global, by virtue of the republic's geographic location and the fact that it is a "transit country" or "crossroad of the world" dependent on sea and air transport and international services for its livelihood. Several noted this privileged position has much to do, directly and indirectly, with the Canal; as one man expressed it, "...without the Canal, we would be Honduras," indicating that Panama's natural positioning combined with the asset of the Canal is what has propelled the country ahead of most of the rest of Central America in both economic and development terms.

Most participants reasoned that the pace globalization had only accelerated to a certain degree the economic gains associated with international transit and services, though around half of those interviewed also noted developments in increased foreign direct investment and burgeoning industries (such as tourism, real estate and property management, call centers and non-traditional agricultural exports) as important drivers of recent economic growth. Several respondents, however, questioned the sustainability of the pace of this growth. For example, one educator put this concern as follows:

The influx of investment, tourism—it has put Panama on the map, but it has also turned into something that seems to be growing at a faster pace than the infrastructure allows...there is this frantic, catch-up pace to everything.

Over a quarter of the interviewees pointed out the disparities between rich and poor associated with the recent economic gains and lamented that human development progress—or the process of enlarging people's choices, particularly with regard to leading a long and healthy life, acquiring knowledge, and having access to the resources

needed for a decent standard of living—had not come close to matching the country’s economic growth. This perspective is best illustrated by one university sector participant who alluded to the “two Panamas” that are being created:

...one of Panamanians and one of all foreigners (Colombians, Venezuelans, Nicaraguans, Americans and Europeans) now living and working here...which is good for imported labor and consumption, but which also drives up prices.

Another participant put this in terms of social polarization. He noted the number of new, more sophisticated employment options being created by the increasing number of multinationals (Dell, Proctor and Gamble, and Nestlé to name several) that are establishing bases in Panama, but explained that only those Panamanians privileged enough to go to private and foreign schools would be in a position to take advantage of these opportunities linked to increased foreign investment and globalization. In his words,

Since Panama has always been highly exposed to global influence, the people here are very bright. Even the poorest kids in the interior, because of this exposure to global things, are so far ahead of, say, kids in Mississippi, for example. But they just don’t get the backing they need to make them successful.

When I asked what globalization has meant for the development of the Panamanian university sector over the past couple of decades, a marked difference emerged in the perceptions between those working within the university system and those working outside of it. Nearly every respondent associated globalization with the recent proliferation of private universities, but those outside of the university system were highly critical of the growth, associating it with a drop in quality and not considering it to be progressive for the country. One woman lamented that Panama has not taken advantage of the increasing global connectedness to access university learning and

resources beyond the scope of this country and direct them toward internal development.

She summarized the trend in university sector development as follows,

It has stayed behind—it has not entered into globalization, only in the sense of the commercialization of higher education, but not in terms of quality. Few [established] universities open up to universities in other countries, which could be of enormous benefit to Panama.

Another interviewee was even more emphatic in his commentary, indicating that the only way in which the Panamanian university sector has sought to take advantage of increased global connection is through its potential to import more quickly and easily potentially money-making academic programs. As he put it,

The university sector—especially the private universities, with the exception of the USMA—is not a sector that has furthered the development of Panama. The sector is now oriented principally toward profit and I can't accept this...the universities are geared to educational activities that are not necessarily the most productive for the country...and there is nothing that requires the universities to invest—not in infrastructure, not in research—this fosters opportunism.

University respondents from both the public and private sectors tended to be more optimistic. They painted a picture of progress with the broader selection of higher education on offer, increased number of students graduating with university degrees, and improved access to the resources of countries with more developed university systems. The majority of university administrators and professors in the sample identified the benefits as (1) the increased activity of international networks, (2) the interest of foreign universities in setting up joint programs (though many of these appear to exist only in the development stages or in the form of ambiguous exchange agreements), (3) the potential offered by technology for reaching students beyond the urban areas, the (4) the ability of international linkages to contribute to the improvement of existing programs and

facilitate research and (5) the increased human resource development as a result of more people being able to attend university classes.

Some of the university respondents would only speak of the benefits of globalization for the sector, equating increased globalization with increased learning and declining to acknowledge any disadvantages. The following statement summarizes this view well:

The advancement of knowledge is always good. Some say the market is unable to absorb all the human capital trained but that is not true.

This statement from a university sector participant also puts forth a similar sentiment:

More educational opportunity is always a benefit—there is no downside.

Representatives of some of the more established non-public universities presented commentary that reflected both positive and negative observations. As one person put it,

...more exchange...science has always depended on intellectual exchange and globalization fosters exchange and scientific advancement. We have access to more information, more libraries, we are involved in more international networks—all of this is relevant for research...Of course, we also have the entry of the transnationals, the private universities...with the vision of commercialization instead of the vision of education...

Another person added,

[Globalization] offers opportunities for enrichment—you notice this more in a small country. There is more access to regional and international networks, library systems, other sources of information and research—this is important for us because we can't count on the donations, resources and philanthropy that they have in the universities in the US, for example...there are people now leaving to work and do research [abroad], more joint programs with universities in other countries—like that of the USMA and the University of Bilbao...There is also a serious problem of quality control...they [for-profit universities] deceive people with titles without even the most basic of skills.

These respondents tended to feel there were numerous opportunities associated with the global connectedness of higher education, but that there are a number of risks and difficulties, as well, which require attention and management.

Higher education has always been an area open to global exchange, even before this exchange became so quick, routine and commercialized. Panama has also always been open to global exchange because of where it sits on globe—though primarily of goods and services. Now that higher education has become more of a tradable commodity, it appears Panama has become more open to higher education—for better and for worse.

### **8.3 Recent Growth of the University Sector**

In previous chapters, I discussed how the 1990s ushered in a new era for higher education in Panama and the Central American region, with new universities and institutes opening at an unprecedented rate. The public system increased from one to five institutions, while the number of registered private universities grew from a handful in 1990 to the 90 registered today (Registro Publico 2007). The diversity of titles and programs offered expanded considerably as well, especially at the postgraduate level, and enrollment today is almost double what it was a decade or so ago. For example, in Panama in 1990 university enrollment was just over 50,000 students whereas now it is well over 100,000 (Contraloria de la Republica de Panama 2007).

The respondents' perceptions on the recent growth of Panama's university sector began to surface in their discussion of globalization. Probing for the specific benefits and disadvantages or risks associated with this growth along with possible explanations for the growth, respondents were even more forthcoming with their views. Again, not

surprisingly, university sector representatives stressed the *pros* of this development, more often than those outside the university system (and even some outliers from within the system), who stressed the *cons*.

### 8.3.1 Pros and Cons

Although three interviewees (all from outside of the university sector) claimed they could not honestly come up with a single corresponding benefit, the overwhelming majority (more than three quarters of those interviewed) claimed the most advantageous aspect of the recent university explosion was the increased availability of post-secondary education options, both in terms of the accessibility it provided to more of the population and the greater diversity of degrees and subjects on offer. A couple of people also indicated the positive effect this has had on diminishing the congestion in the public universities. And while most of the growth has occurred in and around Panama City, various respondents mentioned the increased number of (mostly public but increasingly private) university extension facilities opening in the interior of the country.

Interestingly, even those highly critical of the proliferation of universities mentioned the increased availability and accessibility of higher education as a plus and several linked it to better preparation of workers in the labor force at every level. This is not surprising since Panama has never developed a strong vocational education system<sup>1</sup> and a number of respondents pointed out how that lack of vocational options has helped to drive the current proliferation of universities. Several interviewees—from inside and outside of the university system—acknowledged that many students enroll without ever

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<sup>1</sup> Only in this present administration with the pressure of the Canal expansion project, strong Presidential backing, new leadership and substantial restructuring has the reinvented Instituto Nacional de Formación Profesional y Capacitación para el Desarrollo Humano (National Institute of Professional Formation and Training for Human Development, INADEH) begun to establish a reputation for solid technical training programs and market responsiveness.

intending to pursue university studies to completion. These students attend classes knowing they cannot dedicate the time or money that would be required for degree completion because they see the additional postsecondary education as an opportunity to enhance their educational experience—even without the final credential. As one university sector respondent indicated,

Kids think that with some evidence of English or accounting or computer courses on their CVs, they are more likely to get a job—or a better paying one—even if they don't have the degree.

The national statistics on university graduation are spotty and incomplete, but in the course of the interviews, public university system administrators reported graduating around 30% of its enrolled students—and this is reportedly a considerable improvement from the 5% average graduated in recent years past. Other private university administrators similarly admitted to graduating only 20% or less of their total enrollment. Often, as indicated by the quote above, students simply want some additional training and something they can put on a curriculum vitae demonstrating that they have studied beyond high school in the hope that they will be able to turn this into a higher paying job. In response to this tendency, the university offer has become extremely varied, in terms of both course content and modality (many universities now operate on a quarter or module system with almost no requirements on class load). As several private sector individuals acknowledged, there is now much more available in the market with regard to postsecondary studies compared to a decade or two ago and this represents progress, even if much remains to be done with regard to the actual content of these studies. As one participant summed it up,

[There is] more offer of degrees, more variety—usually, this is just copied and transported from what is in fashion in other countries, but it is a start...



Another respondent outside of the university sector echoed a similar impression,

More offers are out there for college education...though we don't always know exactly what *kind* of college education.

The availability and accessibility of higher education was by far the most often stated benefit connected to growth of number of universities. Other associated benefits included more international exchange programs; more application of technology; higher esteem for the value of higher education; new and more flexible modalities (such as quarter system calendars and pay-as-you-go module options); and the entry of more foreign, accredited programs. The downside of the recent proliferation of universities generated far more commentary—especially by those outside of the university sector—and many spoke of the “disorderly” or “unregulated” expansion of the past couple of decades and declining standards of quality. The disadvantage or risk most often mentioned by respondents across all sectors was the prevalence of poor quality education, of a “watered-down” academic offer and titles awarded without the commensurate transfer of knowledge and skills. Almost two-thirds responded in this vein, as expressed succinctly by this respondent,

[The disadvantages associated with this growth] are primarily a university offer of poor quality and a university offer that is not relevant, that does not respond to the productive sector.

Another private sector participant made a similar observation,

Many programs require very little of students, therefore the degrees are not worth much.

One-third of respondents mentioned the “mercantilism” or “commercialization” or higher education in conjunction with this. Interestingly, from the point of view of the private university operators, this issue manifested as more of a complaint on the competitive environment in the market. One private university president expressed it in the following way:

You’ve got everyone fighting for the same markets...this results in a vicious circle of lower prices and lower quality that ends up being a disadvantage primarily for the student. Many students are coming out [of school] without being prepared—they lack basic abilities in some cases as a result of this massification.

Other private university operators were in agreement with this issue of “price wars” among the providers and lamented that it prohibited them from developing their curricula as fully as they would like. Such development would require additional investment, they reasoned, which would mean increased costs, which would imply the necessity to charge more per class than is currently being charged. Many of these providers were of the opinion that price, rather than quality of education, was the main selection criteria for students opting to enter the private university system. Therefore, most felt fearful about the possibility of recuperating an investment in higher quality programming.

Almost half of all respondents remarked on the poor (many said “non-existent”) oversight and quality assurance systems Panama has in place for its higher education, and non-university sector respondents mentioned this twice as often as did university sector respondents. The current system allows for a propagation of low quality with few if any consequences, which offers little incentive to better the quality of the education but which also poses little threat to any of those currently operating in the university system.

The major theme of the *cons* linked with university sector growth—which is mostly associated with the proliferation of private institutions—is, unequivocally, the poor quality of university education. The issues of the commercialization of higher education and lack of regulatory systems, though conveyed in response to questioning on the disadvantages related to growth, are not so much disadvantages or risks, exactly, but rather attempted explanations for why the situation has developed as it has. The topics of quality and regulation of higher education are complex and multifaceted, as I have discussed in previous chapters.

### **8.3.2 Factors Affecting the Growth**

When asked to reflect upon potential explanations for the recent proliferation of universities, interviewees from all sectors answered similarly: the business opportunity for the provider of higher education services ranked highest as the single most important driver of growth. In second place were (1) the ease of obtaining official authorization for opening a university in Panama, and (2) the interest of foreign universities in establishing themselves in Panama, the second of which university respondents rated slightly higher. As I discussed in previously with regard to the legislation and regulation of corporations in Panama, it is a fairly simple task to register a university as a corporate entity, and while it may be a much longer and more involved process to obtain official recognition for the entity, there are virtually no consequences at this time being imposed upon university operators that have not obtained official recognition from the requisite bodies.

Following these influencing factors of ease of official entry and foreign investment interest was that of labor market demand for university degrees, though

private sector and civil sector respondents tended to rate this last factor higher than did the university sector respondents. Interestingly, though many expressed doubts about the worth of many of the degrees being granted, most also expressed the belief that without a university degree it is increasingly difficult to get work. As one interviewee surmised,

It is no guarantee, but a university degree usually gives you more possibility of getting access to more job opportunities, higher salary and employment benefits.

The one factor that no one from any sector ranked highly was that of public investment in higher education. Although Panama does spend a relatively high percentage on higher education (estimated expenditure per student per year is \$1,343, which is significantly above the regional average (CONACED 2006)), the impact of that investment is not perceived among recipients, beneficiaries or competitors.

When asked to rate in order of importance the major factors influencing the overall development of the university sector over the past two decades, participants overall put the issue of labor market demand for university titles in first place, followed by the impact of the public university system and the entry of the private universities. Most participants perceived the influence of the public system on the sector to reside in the power the University of Panama retains over curricular approval and other higher education matters; similarly, most respondents perceived the impact of the private universities on the sector to derive primarily from the competition generated by the array of new entrants.

Factors perceived to be of little impact on the development of the Panamanian university sector were 1) the convergence and collaboration activities among Latin American universities (such as the Tuning Project and its related initiatives) and 2) the convergence and collaboration activities with the universities of other regions (such as

Europe, Asia and the U.S.). The one factor perceived to have almost no affect to date was the creation of quality assurance mechanisms for university education.

#### **8.4 The Current University System**

In speaking about the strengths, weaknesses, and competitiveness of the current university system, participants provided additional input on their opinions of the system itself, identified specific priorities, and suggested actions for the immediate future. Here, the contrast in perceptions between university and non-university sector respondents is more marked; although many of the same issues surfaced across respondents from different sectors, the ways in which they were described and discussed varied. Also, non-university participants tended to emphasize the weaknesses and threats inherent in the current system, whereas the university sector participants stressed the strengths and opportunities.

##### **8.4.1 Strengths**

As was the case with the responses on the benefits associated with the recent growth, the responses on the major strengths of the current university system—including public and private institutions—tended to revolve around accessibility and availability of higher education for more students in more socioeconomic brackets. One participant referred to this increased accessibility to universities as “the democratization of higher education.” This was, by far, the strength mentioned most often, but even so it was mentioned by less than half (only ten) of all respondents, the majority of whom were from the university sector. Several of these respondents also mentioned the flexibility (in terms of scheduling and payment) of the system as another strength. Five more respondents cited Panama’s tradition and capacity as an international hub as a major asset

for the university sector. Usually, though, this was presented wistfully, in terms of unfulfilled potential. As one respondent from the private sector said,

Because of its multicultural environment and geographic position, Panama is ripe for getting students from abroad. It has the potential to develop a world education system and the graduates should be able to go anywhere in the world and survive...but this isn't happening.

The reasons respondents alluded to for this hub potential not being fulfilled with regard to the university sector had to do, again, with quality. Many felt that Panama *could* be an interesting educational destination if there were more quality programs available to draw students from elsewhere. Some even cited the success of some of the semester-abroad programs in the City of Knowledge (with McGill and the University of Saint Louis, for example, for their North American students) as evidence of the fact that this could be done.

Four more respondents spoke of the breadth of the program offer in terms of subject categories and types of degrees available (three of these four were from the university sector). Two respondents (both from the private sector) stated that the current university sector has no strengths at all to speak of, and another (from civil society) cited marketing and public relations abilities as the university sector's primary strength.

Many participants from all sectors also mentioned consistently several programs in different Panamanian universities that stood out for their perceived quality. These were the engineering programs of the Technological University (UTP), the medical school of the University of Panama (UP), and the law school and the psychology department of the Catholic University (USMA).

### 8.4.2 Weaknesses

On the subject of major weaknesses of the current Panamanian university system, almost all interviewees had considerably more to say. Whereas interviewees were seldom able to cite more than one or two of strengths for the university sector, most tended to have a long list of the areas that require improvement. A range of issues surfaced from poor quality of education to the oversight system to market responsiveness to lack of English skills to excessive bureaucracy. The following table presents the weaknesses most often cited.

**Table 28**  
**Major Weaknesses of the Panamanian University System**

<b>Weakness</b>	<b>Number of mentions</b>
Poor academic quality; meaningless degrees	17
Lack of substantive oversight system	11
Poorly prepared/selected professors	9
Lack of integration with the market and the country's development needs	8
Lack of research	6

Poor academic quality was at the heart of most people's perceptions, referenced by more than two-thirds of the sample and described principally in terms of meaningless degrees—or the awarding of titles without evidence of actual learning or mastery of skills and knowledge by the students. As one non-university respondent asserted,

We need to investigate the content of most of the curricula... [universities] concede titles without the training necessary for the job... we are saturated with graduates that are not prepared to work.

Many participants attributed this lack of quality as much to teaching methods as to poor administration, curricula and lack of resources, as evidenced by this comment:

All teaching is based on memorization and not application...we need to test every graduate of every university with some kind of standardized test—and those universities with less than a 70% pass rate should be closed!

This private sector respondent reasoned from the same perspective:

We need to teach thinking—critical thinking—in addition to reading and writing, basic skills.

Interestingly, very few university sector respondents spoke of poor overall quality directly, they more often cited poorly prepared professors, lack of research, and lack of infrastructure and resources as the major weaknesses of the current system. This may be due to reluctance on the part of the universities to admit to so grave an overall problem or to greater familiarity with the root causes behind the quality issue—or a combination of the two.

The issue of quality is also related to the comparison I asked participants to make between the quality of general courses of study within and outside of the Panamanian university system on a scale of 1 to 5 as follows: 1-very low quality; 2-low quality; 3-average quality; 4-above average quality; 5-high quality. Answers from all respondents are reflected in the averages of the values they assigned to the different courses and are presented in the table below.



**Table 29**  
**Evaluation - Courses of Study**  
**Inside and Outside the Panamanian University System**

	<b>Field of study</b>	<b>Universities in Panama</b>	<b>Universities outside Panama</b>
1	Business administration	3.0	4.5
2	Education	2.4	4.4
3	Engineering	3.8	4.6
4	Humanities	2.8	4.7
5	Law	4.2	4.4
6	Medicine	4.2	4.6
7	Hard sciences and mathematics	3.2	4.6
8	Social sciences	3.0	4.4
9	Behavioral sciences	3.3	4.5

As is clear from the table, respondents generally rated Panamanian university education inferior, on average, to the university education one could obtain outside of the country. While university education outside of Panama was generally considered to be of above average or high quality for all areas of study, the only courses of study rating above average in the Panamanian institutions were engineering, law and medicine (which follows from the commentary in the previous section on the UTP, USMA and UP programs in these fields). Those courses of study fairing worst were education and humanities, with business administration and social sciences hovering around the average mark. Examining the individual responses of the participants by sector, it is evident that university sector respondents tended to rate the quality of Panamanian courses of study a full point (or roughly a third higher) than did non-university sector respondents. Tellingly, only one respondent of all those interviewed rated the university education available in Panama higher, on average, than that available from outside universities.

In direct complement to the ranking of courses of study, I asked participants to indicate the countries whose degrees are worth most in the Panamanian labor market (Tables 30, 31). The tables below reflect their responses with regard to (1) their top ranked country for university degrees and (2) those countries that ranked in their top five.

**Table 30**  
**Number One Ranked University Degree, by Country of Origin**

<b>Country</b>	<b>No. citing</b>
United States	23
Panama	1
UK	1

**Table 31**  
**University Degrees Ranked in the Top Five, by Country of Origin**

<b>Country</b>	<b>No. citing</b>
UK	19
France	14
Argentina	14
Germany	13
Spain	11
Canada	9
Mexico	9
Chile	7
Brazil	7
Japan	5
Colombia	2

Degrees from the U.S. were the clear, near unanimous, favorite. Other countries whose degrees were highly esteemed included the United Kingdom, France, Germany and Spain from Europe (in that order) and Argentina, Mexico, Chile, Brazil, and Colombia (in that order) from Latin America. In general, with the borderline exception of Argentina, European degrees were preferable to Latin American ones. Canadian and Japanese university degrees also warranted mention. Many respondents did qualify their answers, however, noting the Panamanian tendency to perceive as superior everything

coming from the U.S. or Europe, regardless of whether or not this perception is founded on solid criteria. Several interviewees quoted a familiar local expression, which translates as “no one is a prophet in his own land.” Others claimed that relying on just the country of origin of the degree for quality assessment was insufficient and that much had to do with the specific institution awarding the degree—or as one man stated, “you can’t compare a degree from MIT with one from Northwestern Kentucky.”

Notwithstanding, only two participants (both from the private sector, interestingly) mentioned the desirability of the Panamanian university degree in today’s labor market.

Reasons given for the preference of degrees from other countries were the added value of English language skills, the superior training and facilities available in foreign universities, and the experience gained from exposure to other cultures. As one interviewee expressed,

There is something to be said for the culture that goes along with the education in universities outside of the country—it affects the belief system, values, socialization and priorities one develops.

The lack of effective oversight systems—for authorizing the establishment of new universities and for approving curricula and graduation requirements—was the second most frequently mentioned weakness of the Panamanian university system (Table 28). As described earlier, Panamanian legislation grants power to the Ministry of Education for authorizing the establishment of new universities and to the “state university” (generally understood to be the UP) for approving the curricula of the authorized universities. However, the current system is perceived by most to be dysfunctional. Almost everyone interviewed voiced concern about the structural, professional and ethical capacities in both the Ministry and the UP and about the inconsistencies evident in

higher education policy and decision-making. I explored this topic in more depth previously; here I only reiterate the widespread dissatisfaction across all sectors of society with the current set-up, its way of doing business, and the resulting consequences.

The next three weaknesses mentioned—poorly prepared professors, lack of university system integration with the market and the country's development needs, and lack of research—are all interrelated, intrinsically connected with the first two weaknesses mentioned (quality and quality control), and recurring as themes throughout this investigation. Those from the university sector were more aware of and concerned with the lack of qualified professors and the lack of research; those from the rest of the sample stressed the disconnect between university education and the needs of the marketplace and of the country, in general, for pursuing its development goals.

The formal and informal student data collected reflected similar sentiments with regard to weaknesses in the university system. The students from the public university system (enrolled at the University of Panama) were of lower socioeconomic classes and had attended nearly all of their courses at night while they held day jobs. They noted that they were fortunate to have been able to attend university (several mentioned they were the first in their families to do so), and they felt they had learned a great deal beyond what they had in secondary school. Nevertheless, they commented that they were shocked by the absentee rate of their professors (many of whom regularly did not show up for class) and by the degree of subjectivity they perceived to be evident in the grading. Those that were recent graduates (from the School of Education) were also disappointed by the fact that their university degrees had not been helpful in obtaining employment; most were still in the same non-professional jobs they had when they began studying at

the university and had not found employment in the field of their major. A number of these students had chosen to continue on for a postgraduate degree in the hope that this would prove more marketable.

The students from the private universities were from more middle-income level families and offered more varied commentary. Those from programs with an established reputation (the Law School of the Catholic university (USMA) and Florida State University, for example) reported a high degree of satisfaction with their programs and were optimistic about their prospects for employment upon completion of their studies. Others from less established private university programs were less emphatic. None had had to pass any kind of entrance exam and most were studying only at night and on weekends. Generally, they felt their programs to be a significant expense, but mentioned being attracted by the timing and the flexibility of the classes. They also noted the wide range of instructor capability and commitment seen in the majority of programs. These students voiced concerns about whether they would be able to complete a degree (mostly due to the time and expense involved) and about what type of unemployment they would ultimately be considered for, though they still, almost unanimously believed themselves to be better off for having some additional post-secondary education on their resumes.

Interestingly, students at all levels from both public and private universities took a rather passive view of their educational experiences. In general, except for serious misconduct issues, they did not feel empowered to voice criticisms of professors or programs either to other student representatives or directly to university officials—and if they did, they doubted that much could be done to “buck the system.”

### 8.4.3 Opportunities and Threats

I asked interview participants to elaborate on the principal actions required for reforming and improving university education in Panama and the priorities that emerged with the greatest frequency are summarized below:

1. Adopt a university evaluation and accreditation system
2. Raise the level of university teaching
3. Redirect university objectives and curricula toward market demand and national development needs.

The first of these priorities was seen by respondents across all sectors to be the most necessary next step for the development of the Panamanian university system. What is curious, though, is the difference between how this proposition is put forth by the university and government sectors and how it is put forth by the private sector and civil society. The government and university sector respondents tended to profess that university evaluation and accreditation could be meaningfully developed within the existing legislative and regulatory framework—through the officially approved, though not yet operational, CONEAUPA. The private sector and civil society respondents tended to be of the opinion that more stringent conditions must be worked into the regulatory set-up for it to have even the possibility of bettering the current system. The conditions most frequently mentioned include 1) a component of international standards for evaluation and accreditation, and 2) an external, autonomous technical evaluation/accreditation committee that comes from a higher education background but that is not in any way affiliated with either the government or with any individual

university. The more radical of these views even propose an entirely international system for university evaluation. One of the respondents from the private sector stated plainly,

Any quality assurance mechanism must come from outside and be managed by an international organization—like they do in the private sector with the ISO standards.<sup>2</sup> Panama has to adopt international standards. Period. And that is not going to happen if we try to do this internally...to give you an example: at first, in the CRP, the incorporation of international standards was proposed and then completely rejected because it was going to be too costly and difficult to implement. The national mentality is so resistant to incorporating standards from the first world. Everyone knows that if we do it like that, no institution [as it is now] would quality for anything!

While this view was one of the more extreme, many respondents—particularly outside the government and public university sectors—voiced concerns about the internal system being too badly compromised to be capable of reforming to the point of offering a valid alternative for evaluation and accreditation. Various respondents mentioned that anything of this nature would be akin to a “rubber stamp” solution to the university sector problem as opposed to a sincere attempt to better the existing system.

The second of the priorities listed, raising the quality of university teaching, was mentioned by close to half the participants and closely follows from the first recommendation of establishing a university evaluation and accreditation mechanism. Encompassed in this priority are a number of related issues: better preparation for professors—better programs in education at the master’s and doctoral levels; more stringent minimum requirements for professorship; improved supervision; and more and better continued training for professors.

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<sup>2</sup> ISO (International Organization for Standardization) is the world's largest developer and publisher of International Standards. It is a network of the national standards institutes of 157 countries, a non-governmental organization that acts as a bridge between the public and private sectors. ISO has developed over 17000 International Standards on a variety of subjects and 1100 new ISO standards are published every year. Additional information is available on the organization website: <http://www.iso.org>.

The salary issue is another important concern. Numerous participants mentioned in their commentary how relatively few university professors in Panama have anything approaching a tenured status, secure salary, or access to resources for research. They emphasized that most professors earn according to the number of courses they teach, which means they are often running from one university to another to squeeze in more classes—and even then most take on additional non-university work in order to make ends meet. Raising the bar for university teaching is a necessity. Given the situation described above, however, it is one that implies a number of changes in other aspects of the system as well, along with significant investment.

The final priority mentioned by participants for bettering the university system, that of redirecting university curricula toward the actual needs of the country, again reflects a preoccupation with the quality of the instruction, a concern with matching supply and demand, and doubts regarding how decisions are made. Many interviewees commented that Panama has far too many lawyers and business administrators today and not nearly enough doctors, engineers, technicians or professional public administrators. Part of the problem, according to some respondents from both university and non-university sectors, is that fewer programs of a technical nature are offered; part of the problem, according to other respondents, is also that the more technical subject areas typically require more commitment from the students—in terms of time, dedication and continuity of study—and many are not willing or able to do this. But a large part of the problem appears to be, again, the direct and indirect control the UP wields over the higher education decision-making process. As one interviewee from the private university sector illustrated with the case of the City of Knowledge:



It is not complying with its mission, which is “to bring prestigious academic programs.” It should be focusing on bringing programs that we lack in Panama. For example, we don’t need another MBA program, we *do* need a serious Master’s of Public Administration—and urgently. But they don’t even want to consider that because the UP already has a program in Public Administration (and the law says they can’t compete with the UP)! What do we have, really [in the City of Knowledge]? San Martin and Isthmus from Colombia—and FSU (and only now is it part of the City of Knowledge—FSU has been in Panama for decades—long before the City of Knowledge). McGill has its exchange program, too—but for the benefit of its own students over there, not for any of those here.

Official mandates for institutions and programs say one thing on paper and often show evidence of something very different in reality. Some participants blame the endemic and intrinsic corruption of the University of Panama for this. Other participants were more lenient in their judgment, attributing some of the perceived discrepancies to lack of capacity and lack of strategic direction. Regardless, most participants voiced the opinion that the status quo in this regard should not be maintained.

Other necessary improvements for the university system were noted—more public investment, more research, less bureaucracy, and the integration of professional board exams for graduates, among others—though each of these were only brought up by a scattered few; the first three priorities capture well the key concerns of the majority regarding improvement of the university sector.

On the subject of how the strengths and weaknesses of the university system relate to national competitiveness in the global arena, everyone interviewed agreed that university education was vitally linked to competitiveness, though different participants had different ways of expressing this. One respondent was particularly succinct and clear on the topic,

Knowledge and skills are the basic tools of competition and the universities should be the source of these.

Another respondent from the public sector was metaphorical,

The university system of a country is like the circulatory system of the body...

But most participants stressed the point that knowledge and learning, and to a large degree, the creation of the base for national productivity, depend upon what is being done in the universities. One private sector respondent explained this as follows:

The product of the university system enters the productive sector of the country and is what contributes to development—so the levels of development, productivity all depend on what the universities are producing.

The link between competitiveness and learning was almost assumed, in the case of many respondents, and was in turned linked to the development and the evolution of the country. One interviewee stated,

It is implicit, fundamental...competitiveness is formation: you study, you prepare, you compete—and not only by working in companies, but also by creating new businesses. That's how a country evolves.

Another interviewee took this reasoning and the link with competitiveness to an even higher level suggesting that the university systems are not only responsible for producing what will become the productive base of a nation but also for creating the leaders that will strategically evaluate and drive the application of the productive base to specific national goals. His words on this were as follows:

[University] systems that produce leadership for determining at the national level where the country wants to go and how it wants to get there...that is what creates competitiveness.

Even with statements acknowledging the connection between competitiveness to university education, many respondents from the private sector and civil society qualified this assertion by claiming the explanation for Panama's comparatively good standing in

global competitiveness indices to date has more to do with factors other than the quality of the national university system. For example, as one private sector participant put it,

In the case of Panama, it's like Venezuela: the Canal is our oil, and our "competitiveness" comes only from the economic growth from our logistic positioning, which enables us to attract multinationals, foreign investment...

Other respondents, as well, pointed out that university education is only one part of the competitiveness equation and implied that Panama's relative competitiveness to date had more to do with its strengths in other components that also contribute to competitive ability. One businessperson commented,

Those indices are deceiving...they are composites of many measurements, if you break them down and look at them, Panama does not come out well in education, so our competitiveness is *in spite of* that. If we could better the education, we could be even better.

Certain respondents added that while the connection between university education and competitiveness is critical, the university education does not necessarily have to belong to the country exhibiting the competitiveness. One businessperson had this to say about "imported" university education,

Panama's business sector has done reasonably well to date because of the number of people in the sector with education from outside of Panama.

Building on this theme, some noted the interest and drive of the Panamanian people, in general, to learn and get ahead, regardless of the obstacles, as a driving force behind the country's competitiveness. Others elaborated on the point adding that while this quality appears to have been successful to an extent thus far, for Panama's current growth to continue it is necessary to bring higher education system into the process and raise the bar. One interviewee from outside of the university sector expressed it as follows:

Panama is a paradox in Central America. It has a weak education system, but the people learn and educate themselves anyway, one way or another—*outside* of the system. And because of the geographic position of the country—the Canal, the foreign investment and the rest—it has been pretty competitive. Although, now we have to strengthen higher education if we are going to continue like this with the growth we have now...

These last statements almost imply that a degree of luck has been involved with determining Panama's competitiveness—luck that has to do with the country's geographical positioning and its ability to access the rest of the world more easily. Most interviewees agree, however, that whether Panama's current competitiveness is a result of luck, location or external economics, it cannot be expected to last without a more solid, national foundation for the preparation of the country's productive base.

Opinions on how the university system could improve to better Panama's competitive stance in the global marketplace were similar to those above on priorities for reforming the university system in general, though they differed in their emphasis. In order of overall frequency of mention, the following recommendations emerged with the indicated number of respondents supporting each:

1. Redirect university curricula toward market and development needs; better integrate universities with public and private sectors (17)
2. Concentrate on teaching people English (12)
3. Invest more in research and development (7)
4. Better the quality of the professors (6).

The concern with English language skills, the second most frequently mentioned recommendation, came predominately from the non-university contingent, though university sector respondents from institutions more closely connected with international programs also tended to highlight the importance of English. Related commentary on

potential obstacles in this regard pointed out the lack of qualified ESL human resources and the lack of professors in technical specializations that are comfortable teaching in English. As one woman remarked on this,

There is a marked lack of language skills in the population...it is very hard to find a Panama-trained citizen with good foreign language skills.

Others commented that even legislation toward this end is insufficient without the proper human resource base. As one private sector respondent explained,

Panama just passed a law make English mandatory in the public schools, which is a good thing, but the problem is finding competent teachers.

One university administrator complained about the inability to develop joint ventures with foreign institutions precisely because of the language issue. He said,

We have opportunities to develop joint agreements with North American institutions that want to bring students down to study in a bilingual environment...the problem is we don't have the capacity in English...the professors *say* they speak English, but they can't really teach a class in it...

This focus on English also prompted further commentary on Panama's seeming reluctance to import capacity that is lacking locally from elsewhere in the world:

One thing Panama needs to do is change and be open to what is possible. You cannot find the best person for the job if you get stuck with national quotas...this becomes more of an issue as the Panamanian economy becomes more intertwined with others.

Respondents also mentioned how much of this reluctance is rooted in "union mentality," or a fear of displacing local employees. Other interviewees, however, stated clearly that regardless of the fears involved, they must be faced and overcome one way or another as Panama no longer has the luxury of indulging those fears if it wishes to participate successfully in the global economy. One businessman was emphatic on the subject and asserted the following:

Panama is competing in the first world with human resources from the third world. Our system doesn't work for producing the human resources necessary. To confront globalization, we have to get out of the Panamanian world, we have to see how things are done outside and we have to bring this knowledge back to Panama. We do not have with which to create that knowledge here...and this does *not* mean a lack of sovereignty, it means sustainable development.

Although Panama's university system would appear to be in a difficult position, commentary from interviewees would suggest it is not without options and opportunities. The base of the opportunity is the same base that has provided Panama with most of its economic success thus far: fortuitous geographic positioning—enhanced by regional/global hub level air and sea transport infrastructure; multicultural, multilingual highly literate inhabitants that have been born and raised with exposure to the rest of the world; a dollar-based economy and a stable political environment; and a history of intrinsic ties and collaborative relations with the U.S., Europe and Asia. To date, however, as many participants pointed out, the components of this base have not yet been leveraged in the area of higher education to further universities as they have been in international banking and finance, port management and shipping, and airline transport to push those sectors of the Panamanian economy to world class levels of competitiveness.

The major threat reflected in much of the interview commentary is that university sector officials will feel too jeopardized by their vulnerability (and too resistant to the magnitude of change that may be implicated) to allow for a truly objective review of the system, and that non-university sector stakeholders will be too passive to push vigorously for such an objective review system. Many participants project that this would allow for the status quo to continue without any serious change in the immediate future, which in turn will doom Panamanian university education to perpetual mediocrity and minimal contribution to the country's development.

## **Chapter 9 – Conclusions and Recommendations**

This final chapter returns to the initial research questions, synthesizes the corresponding conclusions based on the findings of the research, and presents some of the implications of these for the future of higher education in Panama. Based on these conclusions and implications, it offers a series of policy-oriented recommendations that encompass a combination of more immediate national actions and broader, long-term global initiatives. This chapter also reports on methodological issues and limitations associated with the investigation.

Finally, this chapter proposes several areas for further research to aid in the development of the Panamanian university system. These areas relate to (1) the variety of national evaluation and accreditation systems currently in use worldwide to monitor university systems; (2) market analyses to determine national needs with regard to university education, along with the public and private benefits associated with university education; (3) opportunities for coordinating with international institutions to facilitate higher education knowledge transfer; and (4) potential classification systems for universities that would assist with inventorying and comparison of higher education options.

### **9.1 Conclusions**

This dissertation set out to examine how the process of globalization from 1990 onward has affected the development of the university system in Panama. Specifically, it looked at how many and what types of universities are available; what factors have

contributed to shaping the regulatory environment of university education; what factors have contributed to making university education an attractive business proposition; how the regulatory and business factors are reflected in the current university offer; and at the perceptions of business, government, academia and civil society regarding the strengths, weaknesses, opportunities and threats associated with the university offer along with how these affect Panama's competitiveness.

I expected to find that the economic factors of globalization (associated with business opportunity) have been more influential than the political factors of globalization (associated with higher education vision) in shaping the Panamanian university system post-1990. I also expected to find that a majority of stakeholders perceives the university offer to be strong in terms of accessibility, weak in terms of quality assurance and addressing market demand, and generally inadequate for enhancing Panama's global competitiveness.

These expectations were supported with evidence from the research. What was particularly revealing, though, was the degree to which the factors examined—at both global and national levels—were all intertwined and ultimately dependent on a number of social elements and a relatively small set of local actors. What was particularly alarming was the degree to which the Panamanian university system seems unprepared to support the country's current and projected growth.

### **9.1.1 Factors shaping the regulatory environment**

Recent legislation and international accords affecting the development of Panama's university sector reflect the country's involvement in the EU propelled efforts rooted in the Bologna Process and directed toward regional convergence and



harmonization of the university offer in Latin America. This is seen most notably in Panama's official participation in the Tuning Latin America Project and the Central American Accreditation Council (CCA) and its passage of recent legislation (Law 30 of 2006) to create a national university accreditation entity, CONEAUPA.

Additional legislation, in the form of Law 6 of 1998 that creates the City of Knowledge, reflects Panama's age-old desire to utilize its geographical positioning to create a regional higher education hub and take advantage of globalization to draw in resources from around the world and offer them to students from all over Latin America.

These globalization driven university sector norms appear to be competing, however, with earlier national efforts (many of them solidified during the dictatorship years in the 1970s and 1980s) to centralize control of the university system. Although the Ministry of Education is responsible for officially recognizing universities and granting permission to operate, existing legislation consolidates university control, to a large degree, in the state university—the University of Panama. This is evident in the 1972 Constitution (Article 95), which places responsibility for private university oversight with the state university, and the subsequent Law 11 of 1981, which reorganizes the UP and charges the General University Council with approving and reforming the Regulation on Private University Supervision.

University and non-university sectors both perceive this UP control to be dysfunctional at best and destructively corrupt at worst. This is partly because the necessary human resource base does not exist within the UP to make proper oversight possible, partly because the oversight function has become a business for the UP (petitioning schools must pay for curricular reviews and approval), and partly because

there is a potential conflict of interest between the UP and the rest of the universities operating in Panama. Even other state universities, particularly the more specialized among them, question the validity of this arrangement. The newly passed CONEAUPA legislation would appear to provide the vehicle for altering this concentration of power, but the predominantly public composition of the Council makes this questionable. Also, because nearly two years have gone by since the law's inscription without its having been regulated and made operational, many doubt its true potential to serve as an autonomous evaluation body.

The globally oriented norms promoting convergence and quality assurance are also competing with Panama's long tradition as a corporate factory. Early in its history as a republic, Panama instituted liberal corporate legislation (through Law 32 of 1927) allowing national and international individuals and entities to establish corporate structures in Panama quickly, easily and inexpensively and use these structures for virtually any kind of non-illegal activity. This has significantly reduced the obstacles for legally opening and operating universities of all types in the country.

A strong national accreditation system could begin to reshape the quality assurance aspect of the university sector. But for this to happen, the current legislation that officially establishes CONEAUPA would have to be grounded in international standards and stringently regulated. It would also have to be able to overturn previous decisions made by both the Ministry of Education and the University of Panama and enforce the corresponding consequences. Fear of political reprisal presents an enormous impediment to this actually happening. Because the UP and the Ministry represent such a vast power base, even those in relatively powerful political positions hesitate to rock this

boat, though most are aware of the dire state of affairs. Official figures suggest that nearly a third of Panama's population is somehow tied to one or both of these entities if we consider the total national sub-populations of teachers, students and education related public servants at all levels (Contraloria 2007); no one wants to risk an uncontrollable mass uprising that could theoretically grind to a halt education at all levels.

### **9.1.2 Factors shaping the business environment**

As indicated in the section above, there are several major legislation related reasons for which university education is a potentially interesting business alternative. Panama's flexible corporate legislation is among them; as a result of Law 32 of 1927 and subsequent related measures, it is fast and cheap to set up a legal, for-profit private university. It has also been relatively easy for private universities to obtain official Ministry of Education recognition. While over half the registered universities in Panama are not recognized by the Ministry, a total of 31 private universities are recognized. The ease of obtaining official recognition is somewhat explained by the simplicity of the petition required, which is reproduced in Appendix 9 and solicits only very basic administrative and financial documentation. Finally, with no regulation of the legislated national accreditation body (CONEAUPA), no national university classification system, and a complacent civil society, there are few public repercussions for low quality universities.

A negative aspect of the business environment mentioned by almost all private university heads interviewed was the number of competing offers now available in the marketplace and the effect this has on driving prices down. Private universities are engaged in what some interviewees referred to as "price wars" in an effort to attract

students, which makes it harder for everyone to make a profit and nearly impossible for the more serious private universities to maintain standards of quality.

Apart from the regulatory framework, a number of other factors make university education a potentially attractive business. Since few university professors in Panama enjoy tenure status and salaries are typically very low, instructors are often in a position of having to work in various institutions at once. This makes it easier for the institutions to have a ready pool of inexpensive human resources (given that scheduling can be accommodated) and also makes it easier for them to replicate curricula from other universities. And since so much of Panama's economy revolves around the service sector, it has not been difficult for universities to attract students to degree programs in related areas such as business management, law, information technology and tourism, for example, which involve relatively low overhead and little capital investment.

Panama's historically limited vocational and technical education options have played into the recent explosion of universities as well. With few post-secondary training options available, even low quality university education is perceived to be a step above a high school education—and even if the student has not completed a full degree course. This lack of post-secondary training has also made it possible for “universities” to sell modular courses for generic proficiencies such as English and computer skills alongside of their undergraduate and graduate courses. A couple of the university rectors interviewed spoke of integrating Microsoft Office courses—complete with certification—and mentioned that demand for these was higher than had been anticipated.

### **9.1.3 Reflection of regulatory and business factors in the current offer**

There are 90 private universities and higher education centers legally registered in

Panama's Public Registry (Appendix 1). This is quite a few given that the total population in Panama of 15-34 year olds is around a million, that only around 25 percent of these at most will consider some form of university education (or about 250,000) and that currently the state university system attends to at least three quarters of all enrolled university students (Contraloria 2007). Comparing the number of universities registered in Panama to that in Costa Rica, Panama has half again as many registered for a population that is only three-quarters the size of Costa Rica's and which has a university access rate that is only two-thirds that of Costa Rica's (Table 27).

Judging from the number of private universities in the Public Registry, the portion of these that are registered as potentially profit generating entities (nearly all), and the number that are officially recognized by the state (31), the legislative and regulatory mechanisms that appear to have had the greatest impact on the development of the university sector are those described above that are related to business opportunity: flexible corporate law, lax Ministry operating requirements, and lack of functioning regulation for university evaluation and accreditation. Those regulatory mechanisms related to globalization and university system convergence, harmonization, and mobility of students and professors—while noticeable in Panama's budding efforts with the Tuning Project, the CCA, CONEAUPA and the City of Knowledge—do not appear to have had much impact yet on what is actually available in the Panamanian university education marketplace.

Reported perceptions support this conclusion, as well, since the factor ranked highest as the single most important driver of university growth over the past two decades was the business opportunity for the provider of higher education services, followed by

the ease of obtaining official authorization for opening a university in Panama. The influence of global and regional convergence and collaborative efforts was perceived to be of little or no impact on the development of the university sector.

#### 9.1.4 The University offer

What is actually available in terms of university education in Panama? There is a broad range, though the general consensus of those interviewed was that little of this considerable range of options offers a quality learning experience. Returning to the concept of classification presented in Chapter 6 that detailed the general dimensions of the universities, the revised table below provides an overview of some of the tendencies observed in the current offer.

**Table 32**  
**General Characteristics of Universities in Panama 2007**

<b>Organizational structure</b>	
<b>Governance</b>	<ul style="list-style-type: none"> <li>• 5 public universities</li> <li>• 90 registered private universities</li> </ul>
<b>Public Registry</b>	<ul style="list-style-type: none"> <li>• 60 public limited companies</li> <li>• 16 privately held organizations</li> <li>• 3 privately held foundations</li> <li>• 11 universities registered under a different entity name</li> </ul>
<b>Ownership</b>	Several universities have distinctly foreign connections (FSU, Quality Leadership University—representing the University of Louisville and Towson, San Martin and Isthmus of Colombia, the Laureate and Aden groups, for example), but specific ownership breakdowns are difficult to obtain.
<b>Financial</b>	Non-profit universities include the state universities, USMA and UNESCPA; the rest are profit generating.
<b>Religious</b>	The only Catholic run university is the USMA; others with a religious affiliation appear to include the Kabbalah and Hosanna universities and the Specialized Christian University. The majority of universities in Panama do not have religious affiliations.
<b>Educational structure</b>	
<b>Program level</b>	Almost all universities in Panama now offer undergraduate and graduate degrees along with various types of certifications.
<b>Program focus</b>	There are several specialized universities, mostly public

	institutions—the UMIP (maritime), UNESCPA (public accounting), UTP (science and technology) and UDELAS (special education); the rest offer a varied mix of general programming.
<b>Instructional-Research</b>	Many universities claim to do research, but only the state institutions and the USMA have conducted documented projects, and even then very few. All universities in Panama tend to concentrate on teaching.
<b>Transnational programming-Degree options</b>	FSU, QLU (representing Louisville, Towson and others), San Martin and Isthmus grant degrees in coordination with their affiliate foreign universities; UTP, via its FUNIBER virtual PhD program, combines foreign university programming with a local degree; and the rest of the universities offer mainly local programming and local university degrees.
<b>Instruction modality</b>	Many are beginning to experiment with various aspects of online instruction, but only the two distance universities (UNADP and UNEIDPA) and the UTP offer formal online degree programs.
<b>Professors</b>	FSU, QLU, Isthmus and San Martin boast a majority of foreign national professors, but the rest rely principally on Panamanians. Most Panamanian university professors do not hold doctoral degrees and many do not hold Master's degrees.
<b>Infrastructure</b>	
<b>Physical structures</b>	There are no resident university institutions in Panama. Those with traditional structures that include separate library and laboratory structures are limited to the state institutions and a few of the private universities, with many of the public structures in states of disrepair. An increasing number of universities operate out of converted apartment and office buildings.
<b>Information-technology</b>	Access to journals, databases and virtual libraries is limited, even in the larger, more traditional universities. Access to computers and internet services is improving in the largest of the private universities.
<b>Official status</b>	
<b>National recognition</b>	36 universities have Ministry of Education permission to operate and University of Panama curricular approval.
<b>International accreditation</b>	FSU and QLU offer programs accredited by U.S. accrediting agencies.

The table above presents observations on general tendencies in the Panamanian university sector based on the data collected from interviews, document analysis and secondary data reviews; it is by no means comprehensive, nor does it include direct observation of all universities listed in the Public Registry. Clearly, as mentioned before

and again in the final section of this chapter, more remains to be done in terms of classifying, categorizing and inventorying the universities operating in Panama.

Even with the increased number of universities and new operating modalities, the programs offered do not seem to reflect as much diversity. Although statistics are difficult to obtain, judging from interview commentary, the available website information (of the registered universities that have websites) and national Department of Statistics figures (Contraloria 2002-2006) on enrolled undergraduates' fields of study (Table 26, Chapter 8), business oriented majors and programs abound (40 percent), while the technical majors and programs—science and medicine (13 percent) and engineering and architecture (12 percent)—are in short supply. If this were in line with market demand, it would not be problematic; most of those interviewed, however, reported a perceived overabundance of business related graduates and a lack of technical graduates, along with a general disconnect between the information students are being given in their programs and that which they need to be productive in the marketplace.

#### **9.1.5 Stakeholder perceptions on strengths, weaknesses and competitiveness**

Nearly everyone interviewed equated the effects of globalization with the recent proliferation of private universities in Panama, but those outside of the university system were more critical of this growth, associating it with lower quality and the “commercialization” or “mercantilism” of higher education. Still, a large majority that included even the critics stated the most important benefit of this university explosion—and the major strength of the university system today—was the increased availability of post-secondary education options, with regard to both accessibility for more of the population and the greater variety of programs available.



Most participants linked this increased university education to better preparation of the labor force overall, which is understandable given Panama's historic lack of non-university, post-secondary vocational options. This was further substantiated by comments from a number of interviewees indicating that many students enroll in university without ever intending to graduate but rather with the idea of improving their chances for obtaining better employment and/or a higher salary. University rectors confirmed that they are only graduating around a quarter of those enrolled, but were optimistic about this figure since they say it is higher than in the past.

The major negative associated with the rapid university sector growth mentioned by nearly two-thirds of the interviewees was poor quality education and the prevalence of "watered-down" academic programs. About half of the sample (mostly non-university sector participants) also mentioned Panama's poor university oversight and quality assurance. They indicated how the current system (controlled by the Ministry of Education and the UP) actually propagates low quality by imposing few demands on universities, offering little incentive to improve academic quality, and posing no threat to any of those presently operating in the university system.

Specific weaknesses of the current university system listed included (in order of importance) 1) poor academic quality and meaningless degrees (not reflective of actual productive capacity), 2) lack of substantive oversight, 3) poorly equipped professors, 4) lack of coordination with private sector (and national development) needs and 5) lack of research. Few university sector respondents spoke of poor quality directly; they more often complained of inadequate professors and lack of research, infrastructure and resources as the major weaknesses in the system.

The perception of the quality of university education outside Panama was overall about 25 percent higher than that of the quality of university education in Panama—and that is given that the university sector respondents tended to rate Panamanian university education about a third higher than did their non-university sector counterparts.

University degrees from the U.S. were stated by all except one participant to be worth the most in the Panamanian labor market, followed by those from Europe (principally, the UK, France and Germany). With regard to specific academic areas, the only courses of study rating above average in the Panamanian institutions were engineering, law and medicine—and this was stated to be because of the specific programs available in these areas from the UTP, USMA and UP, respectively, and not an indication of the general quality of these programs in Panamanian universities. Priorities put forth for bettering the existing system were the adoption of an autonomous university evaluation and accreditation system; the improvement of university teaching; and the redirection of objectives and curricula toward market and national development needs.

Opinions on how the university system could improve to better Panama's competitive stance in the global marketplace were similar to those mentioned above but also included a concentration on teaching English and more investment in research and development. Most outside of the university system—and even quite a few within the university system—do not feel that Panamanian university education is sufficiently preparing young people for global competition or for maintaining the country's current growth. A number of these respondents alluded to the fact that Panama is trying to compete in a first world driven market with third world human resources—a situation which puts the country in a comparatively weak, unsustainable position and bodes badly

for prospects of competitiveness, particularly with steadily increasing foreign direct investment and the arrival of more and more multinational corporations.

With such a rapidly growing economy, we might expect the Panamanian private sector and the rest of civil society to *de facto* take on the role of university regulation and oversight that is not being well enforced through official mechanisms. It would make sense for a “weeding out” process to take place that would automatically begin eliminating programs and institutions of lesser quality. And judging from some of the commentary of the business sector interviewees, this is starting to happen. Potential employers are beginning to make sharp distinctions between graduates from universities and programs they have had good experiences with in the past and graduates from more questionable universities and programs. This will likely produce an effect in the market over the coming years, particularly as price competition among providers is also intense with so many university offers. The fact that this effect is not yet visible in the market is likely due to the speed with which the university sector has grown over the past couple of decades and the accompanying lack of information on programs and providers that has been available to the public.

#### **9.1.6 Summary**

Short-term business opportunity appears to be winning over globalized, longer-term oriented higher education vision in the Panamanian university system. The combination of malleable corporate legal structures and lenient national regulation of university quality assurance has allowed for a glut of newly established, private for-profit university entities with differing structural characteristics but little in terms of innovative, high quality university education geared to the country’s private sector and development

needs. Plus, the deterioration over time of the state university system, along with its concentrated power over the entire university sector, has diminished its own value and at the same time thwarted the entry of more serious global higher education institutions that have the potential to contribute significantly to Panama. This untenable combination of state university deterioration and overarching power has also contributed to delays in the implementation of convergence and quality assurance measures—as has a sense of fear on nearly all fronts in the university sector. As several interviewees blatantly stated, there are few university entities in Panama today that could be accredited in accordance with international university quality standards. And everyone is aware of this. There are a few isolated stars in the Panamanian university sector (generally the result of some foreign university programming infusion or collaboration), but these are the exception and not the rule.

The more visionary accords and projects on higher education convergence and harmonization, catalyzed by global and regional efforts, and the resulting national quality assurance legislation these efforts have produced have not been able to compete with either the force of the global and national marketplace or the control of the sector by the University of Panama. The outcome of this dynamic has rendered Panama incapable of providing the higher education necessary to maintain the levels of globalization and economic growth the country has sustained to date or to compete in the global market.

This means the human capital required to keep Panama competitive—especially in the more professional categories—eventually will have to come from elsewhere, as has happened in other places where the economy has developed faster than the human resource base necessary for supporting it. The United Arab Emirates offers an extreme

example of this tendency where nationals account for only about a quarter of the population and even less of the labor force (WDI 2007). Though less dramatic in terms of numbers, Singapore has experienced something similar as it has transitioned from a manufacturing to a service-based economy; imported labor went from representing three percent of the work force in 1970 to representing nearly 30 percent in 2000 (Migration Information 2007).

The Panamanian university sector is not significantly different from the university sectors in the rest of the countries in Central (and even South) America. Throughout the region, there is a history of centralized state university education and control, a recent proliferation of private, (often low quality) for-profit universities, increased accessibility to higher education and little university quality assurance. What is different about Panama is the degree to which it is exposed to and connected with the rest of the globe, the force and speed with which all of the abovementioned factors have acted upon the university sector over the last two decades, and the magnitude of the potential consequences if the status quo is maintained.

## **9.2 Recommendations**

Throughout this study, Panama's many globalization related assets have been repeatedly noted—advantageous geographic positioning, sophisticated transport infrastructure, multicultural orientation, stable economic and political environment, and historical collaboration with the U.S., Europe and Asia—along with the fact that it is now imperative for Panama to leverage these assets to raise its level of university education. The country's higher education system is not something that can be changed overnight; but given Panama's past success with applying similar logic to international banking and

finance, port management and shipping, and airline transport to bring these sectors to levels of international competitiveness, it should not be an impossible dream. In order to move in this direction, the topic must become an issue of national importance and presidential priority. Some of those interviewed recommended setting up a separate Ministry or Vice-Ministry of Higher Education as a means of directing more attention to this level. This could be a good way to channel more attention and resources toward higher education, but regardless of the bureaucratic structuring, several more fundamental changes must be made to lay the foundations for progress in university education and these are detailed in the following sections.

Reflective of the nature of the questions and the findings presented in this study, the recommendations offered in the next sections encompass a combination of local (national) actions and broader, longer-term global initiatives.

### **9.2.1 Extraction of the UP from oversight functions**

The University of Panama has achieved a great deal for higher education in Panama, particularly for making it accessible to more of the population (both in Panama City and the interior of the country) and in the area of medicine, according to the interview commentary gathered in this fieldwork. But it has not done a good job of university oversight and supervision; many feel this should never have been part of the UP mandate. At any rate, from the results of this investigation there is near unanimous support for extracting the UP from its current oversight functions and placing this responsibility outside of the university system.

A step toward breaking away from the UP as omnipotent supervisor is the 2006 CONEAUPA legislation, though skeptics fear that given the Council's official

configuration and the power the UP has traditionally wielded, legally and tacitly, this will be difficult to accomplish in the actual regulation of the law. They are probably correct. The perception of UP power seems to go beyond its legal foundations (though it is Constitutionally grounded), which is why even if the Constitution could be amended with regard to role of the state university, more would likely be required to change the way things actually get done in the Panamanian university system. The UP needs to be accountable to a higher entity, it needs more focus and clearer priorities, and it needs to be removed from controlling any decision-making that goes beyond the issues of its own campus.

### **9.2.2 Implementation of substantive Quality Assurance mechanisms**

In conjunction with removing the UP from university system oversight, viable quality assurance mechanisms must be implemented to fill this vacuum. As mentioned above, the first step has been taken: Panama passed Law 30 at the end of 2006 that officially establishes CONEAUPA, the country's first attempt to create a national university evaluation and accreditation system. Even with the doubts about its configuration and potential, it represents an important move as it shifts the official responsibility for university oversight from the UP to a broader, multi-sectoral council.

Now the key challenge is the regulation of the operational norms that go with this legislation. Primary features of this regulation must be (1) to make CONEAUPA's Technical Commission (the sub-unit in charge of evaluating the universities) functional in the sense that it is, indeed, independent of the government and the universities and that it conducts its work according to strict, transparent and consistent standards; and (2) to hold the Council accountable for accrediting institutions and programs in line with the

results of the Technical Commission's evaluations and recommendations. Both of these objectives must be met in order for CONEAUPA to establish credibility.

The surest way for CONEAUPA to build this kind of integrity will be through the incorporation of (1) international standards into its evaluation and accreditation norms, and (2) an international presence in the Technical Commission itself. This will provide a way to get around the perception that CONEAUPA may be manipulated by the government or the UP or the private sector—an ever-present danger in a country as small as Panama where “everyone is related to everyone somehow.” And “international” here should be taken to mean from countries with more developed university systems and a history of university evaluation and accreditation. The process might also be explored in connection with international cooperation programming. Whatever the means involved, with international standards incorporated into the operational norms and regulations, CONEAUPA stands a better chance of becoming a legitimate oversight body as opposed to a façade constructed to “make someone somewhere look good.”

In addition to numerous non-university sector participants' mention of the need to incorporate international standards in Panamanian university evaluation, certain of the private university officials interviewed also mentioned currently exploring the possibility of obtaining SACS accreditation (from the U.S. Southern Association of Colleges and Schools) as a means to boosting their credibility in the local and international markets. So there already exists in Panama an appreciation for the potential substantive and market-oriented benefits inherent in an incorporation of international norms. And Panama has demonstrated in other sectors (banking, air transport, shipping, port and free



zone management, to name several) that once the bar is raised to the standards of global norms, Panamanian administration and implementation is able to comply successfully.

Establishment and strict enforcement of an internationally recognized university accreditation system based on global standards, in addition to creating the base for a stronger higher education sector, would also enable Panama to position itself better within the region if the country is serious about pursuing its dreams of becoming a regional learning center.

### **9.2.3 Better utilization of the City of Knowledge**

Semi-autonomous agencies that are geared toward public service but not completely run by the government hold tremendous potential for developing countries to channel specific services and functions to less bureaucratic, less politicized and more flexible entities that often achieve greater continuity beyond that of a single administration (Good and Carin 2003). Panama's shining example of semi-autonomous management is the Panama Canal Authority, but the country has also set up other semi-autonomous structures with the City of Knowledge Foundation, the SENACYT and INADEH, all of which have to do with some aspect of higher education and all of which stand to gain from increased collaboration with global partners.

All three of the abovementioned institutions are moving in the direction of global partnerships. INADEH works with a variety of international companies and organizations for its technical training projects; SENACYT is actively involved with foreign universities in efforts to advance local research and scholarship programs designed to build Panama's critical mass of educators with graduate degrees; and the City of Knowledge is pursuing agreements with international universities as described in

previous chapters. Of the three, the City of Knowledge is the one most directly linked to university education and the development of international programs here in Panama, but while it has made some progress in attracting new partners and programs, it could and should do much more.

Two major obstacles appear to stand in the way of the City of Knowledge attracting big name international university commitment. The first is, again, the interference of the UP and the understanding that the programs brought from abroad by the City of Knowledge not compete with any UP offer. This virtually guarantees that university education in the City of Knowledge will not advance much beyond the scope of UP capacity and is detrimental to progress and the fulfillment of the City of Knowledge vision and mission. The second obstacle to the City of Knowledge's bringing more substantive higher education programs is its commercial mindset. The incentives it offers foreign universities for bringing their programs to Panama are minimal compared to the costs of the facilities and services involved in supporting these programs and, in most cases, ends up prohibiting a full-scale program commitment from the international partner. Even well known, well-endowed universities in the U.S. and Europe are concerned with finances; if there is no financial benefit to their opening or contributing to an overseas program, there is little likelihood of it happening.

An illustrative example of this cost-benefit principle is the recent Saudi Arabia agreement with three prominent U.S. universities: Stanford University, the University of Texas at Austin and the University of California, Berkeley. Saudi Arabia's King Abdullah University of Science and Technology (KAUST), scheduled to open in September 2009, will be a graduate-level, international research university sponsored by

the Saudi government with one of the largest endowments in the world — \$10 billion. The U.S. universities are responsible for assisting in the selection of KAUST faculty, designing curriculum, sponsoring KAUST faculty as visiting fellows and sending their own faculty to teach short courses, lead annual seminars and serve on dissertation committees. In exchange, the three universities are each starting five-year partnerships with KAUST worth \$25 million or more, in the form of a \$10 million gift, \$10 million for research at home and \$5 million for research at KAUST (Stanford 2008; NY Times 2008).

Singapore offers another concrete example of a developing country that acknowledged its lack of higher education capacity and set about attracting talent from overseas to help with the creation of its own “knowledge hub.” Kristopher Olds (2007) has documented the nation’s process with this endeavor and emphasizes that the grounding of foreign universities, particularly prestigious schools, is a difficult and long-term proposition that goes beyond policy and requires large scale, targeted financial subsidies along with bureaucratic persistence and persuasion. Olds notes,

For example, the EDB [Economic Development Board] played an important role in courting select universities in R&D rich contexts (e.g., Boston). In order to tempt the universities, the EDB played up Singapore’s cosmopolitan nature, and then used tangible material resources in the form of financial and other incentives. In another case INSEAD received \$10 million in research funding over the first four years of its Memorandum of Understanding (MOU), plus soft loans, reduced land values (about 1/3 of the commercial price), easier-to-get work permits, housing access, and so on. The University of Chicago GSB, for example, received several million dollars worth of subsidy via the renovation of the historic House of Tan Yeok Nee building they now use as their campus. The University of New South Wales is receiving upwards of \$80 million of direct and indirect subsidy from the EDB. Finally, the Government of Singapore effectively funds the Wharton-SMU Research Center at SMU, providing monetary and in-kind support for research projects, seminars, scholarships and the like. While the exact scale of the subsidies is confidential, and tied to 4-5 year Memorandums of Understanding (MOUs) and other contractual forms, suffice it to say the typical foreign university in the first

five years of the WCU received several million dollars of direct and indirect subsidy.

Certainly, Panama is not in the same position as either Saudi Arabia or Singapore with regard to dictatorial governance structure or public finances, but neither is it a poor country with nothing to offer in return for assistance with the development of world-class university education. And the principle remains the same: without concrete and substantial incentives attached, a MOU with a prestigious institution is likely to remain nothing more than a piece of paper. If the City of Knowledge wants to create a similar knowledge hub in this hemisphere (and it should since one does not yet exist anywhere in the region), it will have to do more than sign MOUs, host semester abroad programs and rent properties.

#### **9.2.4 Development of more post-secondary options**

A final recommendation that emerges from the findings of this research is the development of more non-university post-secondary education options. INADEH has made considerable strides in this area over the past four or five years, creating a wide range of technical training courses of varying lengths and levels, but more remains to be done. Panama does not have an established, well developed vocational training system, but the demand for developing one is there, as evidenced by the number of students taking “university” courses not to become proficient in a specific area of study or to earn a degree, necessarily, but rather to fill a particular skill-set gap.

While this recommendation is not aimed directly at the university sector, adequately addressing the need for more post-secondary opportunities would free the universities—especially in the public system—to concentrate on developing programs of a higher caliber that are more in line with international university standards. At the

moment, too many Panamanian universities are offering a smattering of too many different things (from English conversation to basic computer skills to rudimentary office protocol)—many of which are not directed toward the fulfillment of an undergraduate or graduate degree.

One interviewee linked this need for intermediary education to suggestions for reforming the public university system and developing some kind of junior college alternative; he spoke of the need to

...change the regionalization of higher education—maybe something more like the community colleges of the U.S. would be better instead of the various reproductions of the UP we have everywhere. It would be more flexible, too, independent of the UP.

Several others mentioned this gap in connection to specific areas of learning that are not typically well developed in the universities such as basic mechanics and agricultural technology. As one educator stated,

For example, UNACHI [the state university located in Panama's prime agricultural area] should really just concentrate on agriculture, on the growers—teaching them about the complete value chain associated with this area of production. What do they need with the rest of the [university courses]?

### **9.3 Methodological Issues and Limitations**

The main limitation resulting from the decision to conduct the investigation as a case study is that the findings cannot be linked to causality and are not generalizable; yet, case study analysis does offer a vehicle to present richer description and more breadth than may be captured with other methodologies (Yin 2002). Additionally, the results and methodologies employed may serve as input for future studies in other countries facing similar circumstances—particularly in the case of Central America, where most countries find their university systems in similar situations.

A major structural limitation in the research is the lack of inclusion of interview data from student stakeholder representatives at the national level. As discussed previously, this was politically unavoidable but nevertheless creates a gap in the data that should be addressed in future research.

Resistance for some of the data collection was also an issue, but was less pronounced than anticipated. Time was more of a restraint at both regional and domestic levels, and for a few individuals the time available for the interview was less than adequate for sufficiently covering all the points. The issue of bias, with regard to both those interviewed and the perspectives of the documents reviewed, also turned out to be significant; while this could not be eliminated in the documentation, collection, review and processing of information, every effort was made to acknowledge it in the data analysis. Other difficulties arose from gaps and inconsistencies in public and organizational records, which were minimized to some extent by using multiple data sources. All of these limitations were discussed more extensively in the chapter on Research Methodology.

#### **9.4 Future research**

This study has raised many more questions about Panama's university system than it has answered. Following from the concerns and priorities documented throughout this dissertation, four particular areas related to Panamanian higher education require immediate attention for additional research.

##### **9.4.1 National Evaluation and Accreditation Systems**

In order to achieve the incorporation of international standards in CONEAUPA and the kind of hybrid national/international evaluation body and guiding regulation

proposed above (which has not been done before), more research is critical. The United States is the only country in the world with 100-plus years of experience in higher education accreditation; even in Europe, evaluation and accreditation efforts are relatively recent (UNESCO-IESALC 2005). So, the U.S. offers an obvious source of information and expertise. And with the Bologna Process and its subsequent Tuning Projects, the topic of higher education accreditation has received a great deal of worldwide attention over the past couple of decades, and there is now more documentation on higher education evaluation and accreditation from a number of countries that can serve as reference material for the establishment of norms based on something more than national experience and interpretation. The Bologna Process has also catalyzed the direction of more international development funding toward the subject.

Among the more useful research that could be done immediately on accreditation—given that Panama is now in a position of needing to implement its own system—would be that of a comparative analysis among the types of systems now in operation to assess the relative strengths, weaknesses and costs of each. Aspects to be examined should include the legislation and regulation governing each system; the ultimate controlling entity or entities associated with each (whether public, private or a mix) and their professional composition; the range of issues and criteria covered in the accreditations; the means of disseminating publicly the resulting information on the institutions; and the costs involved and how these costs are covered. This would at least pave the way for more informed policy-making on the subject of university accreditation

and allow for a broader base of comparative experience upon which to build a Panamanian system.

#### **9.4.2 Market Analysis**

Official (and even unofficial) figures and data on numbers and percentages of university graduates, labor market absorption of university graduates and university educated professionals, salary differentials related to levels and areas of education, and specific professional needs (for both public and private sectors) are scarce at best and more often unattainable. Thus, more research and documentation are necessary for recording these basic outputs of the university system in order to move beyond the phase of investigating stakeholder perceptions. With actual data on university outputs, we will be able to determine the degree of matching that exists between the statistical indicators of university output and the perceptions of output as put forth by the stakeholders. This will then enable subsequent investigation to determine what, in reality, Panama *needs* from its university education and what the particular public and private benefits associated with university education are. Reportedly, the CRP has begun to analyze private sector requirements relative to existing university courses, but results of this investigation are not yet publicly available and considerably more information needs to be compiled for decision-making in all sectors.

The information gleaned from these types of market analyses would enable subsequent efforts for curriculum reform, research and development, public and private sector collaboration, and even budget prioritization. It would also help both public and private players in the university sector better design their individual offers—and determine which gaps might better be filled with input from international partners.



### 9.4.3 Higher education knowledge transfer

Perhaps because of the strength of the teachers' unions in Panama and the excess of trained educators in the Panamanian market, there is considerable reluctance to allow for the entrance of any international educators. At the same time, however, there is a dearth of educational capacity in the country that impedes the progress of the entire sector at every level. Complaints of low levels of quality with regard to professors' teaching and research abilities surfaced throughout the interview process and the issue has come out in earlier reports, as well (Bernal 2002, IADB 2003, UNESCO-IESALC 2005, COSPAE 2007). There is an acknowledged and persistent problem with the level of educators' capabilities in Panama that cannot be solved from within. Because of the internal resistance to foreign educators (who are viewed primarily as "unfair" competition), this issue needs to be addressed strategically and backed with research.

Panama must work on how to utilize globalization and the experience that others have gained in higher education instruction and research to create a situation that allows for the knowledge transfer necessary to strengthen Panama's own university system. SENACYT has started to work on this with regard to research (through its various grant programs and the recent establishment of the National Research System) and education-abroad-scholarships, but more is needed to address immediate deficiencies.

Panama's present situation of its economic development outpacing its human resource development is not unique, however, which means other developing countries have faced—and are facing—similar dilemmas. Singapore's on-going story provides a good strategic reference in this regard, particularly since its progress has been well documented (Olds 2007, Garrett 2005, Cheah 2005). Other references beginning to

surface from the Arab world—primarily from Saudi Arabia and the United Arab Emirates (Goodman 2008)—might also offer useful input for Panama in the development of its own strategy for higher education knowledge transfer.

Potential opportunities in this area could include joint programs between Panamanian institutions and foreign institutions already established in Panama that have a proven trajectory with research such as the Smithsonian, Florida State University, and McGill University, for example. If joint research projects could be set up—and possibly subsidized by Panamanian sources—to be carried out with both Panamanian and external researchers, this would allow for better exchange of knowledge and experience and, ideally, benefit both sides.

#### **9.4.4 University classification system**

The final area requiring immediate research is that of university classification. This study provides the first step toward this end by compiling a consolidated inventory of registered universities in Panama, along with key registry data for these institutions and a basic framework for further examination (Table 18, Chapter 7). What remains to be done is the customization of something akin to the U.S. Carnegie classification system (Carnegie Foundation 2008) for use in categorizing the university education options available in Panama.

Creation of a central, accessible database to maintain a full inventory of university institutions operating in Panama and provide even basic information on each entity—such as official contact data, size, entry and graduation requirements, programs and facilities offered, and associated costs, for example—would further quality assurance efforts and at the same time provide a much-needed tool for civil society information

dissemination. This type of initiative could also be beneficial for the region as well as for Panama as it would provide better information on Panamanian universities to those abroad and could also serve as a prototype for other countries facing similar difficulties with university classification.

### **9.5 Contribution of the research**

This study generates several final products that are innovative and instructive for educational policy formulation, both for Panama and for other developing countries. It produces the most complete inventory of universities in Panama done to date and presents a means of keeping this inventory current. The research also presents the most complete compilation of legislation and regulation on higher education in Panama and a thorough documentation of key stakeholder perceptions on university system strengths, weaknesses, opportunities and threats—this study marks the first time this latter has been attempted.

Finally, and perhaps most importantly, this dissertation introduces a comprehensive framework for analysis of how global forces influence university system development. This is useful not only for Panama but also for other developing countries with regard to better positioning university systems to contribute to national development. At international and national levels, a collection of forces works to affect the evolution of national university sectors. These forces can be categorized into two major groupings: economic, market driven forces and political, regulation oriented forces, both of which are, in turn, subject to various social forces as well. Existing studies on globalization and university systems all mention various economic, political and social factors at play in the development of these systems, but none have offered a way to group or classify these

factors or forces in an effort to determine where and how the agendas corresponding to these forces may converge or diverge. And this is critical for better understanding and harnessing these forces for application to a country's sustainable development. The framework presented in this study attempts to organize and examine the different components of these economic and political forces and facilitates the application of development oriented analysis and decision-making to national university system policy.

### **9.6 Summary**

Researching the process of globalization and how it has affected the evolution of the university system in Panama from 1990 to 2007, this study indicates that the economic factors of globalization (associated with business opportunity) appear to have been more influential than the political factors of globalization (associated with higher education vision) in shaping the Panamanian university system post-1990. It also indicates that a number of social forces related to academic culture and decision-making at the national level exert significant power. Furthermore, a majority of key stakeholders perceives the university offer in Panama today to be strong with regard to accessibility, weak with regard to quality assurance and addressing market demand, and inadequate overall with regard to enhancing Panama's global competitiveness and sustaining the country's economic growth.

The implications of this are that while Panama has begun to build a broader base of higher education for more of its population, without immediate implementation of effective quality assurance measures and programs directed toward the country's actual educational needs, the university system will be relegated to a position of relative insignificance for Panama's development. This portends an increased reliance on foreign

education and labor for Panama to be able to continue its trajectory of growth in the provision of international services, the motor driving the national economy.

Fortunately, Panama is well positioned geographically, historically, politically and economically to meet this challenge of developing a more adequate and responsive university system. This will require, however, considerable changes in the country's current academic power and decision-making structure. It will also require wise and efficient utilization of all available resources—particularly those tied to international sources, institutions and knowledge. For this to happen, the local mentality on higher education will have to shift away from viewing university development as a business opportunity and toward envisioning it as a national strategic imperative.

## APPENDICES

## Appendix 1

**Private Universities Listed in the Public Registry of the Republic of Panama  
December 2007**

**Note:** The following descriptions correspond to the indicated headers:

- **ID PR** – The public registry (PR) identification of the category under which the university entity is registered: Sociedad Anonima -Private limited corporation (SA); Sociedad Comun - Privately held organization (SC); Fundación de Interes Privado - Privately held foundation (FIP)
- **ME** – An “X” indicates official recognition from the Ministry of Education
- **UP** – An “X” indicates official program approval from the University of Panama
- **LEGAL INSTR** – The type and number of the legal instrument with which the entity is legally recognized as a university (Resolution, Executive Decree, Decree), if any
- **LEGAL GAZETTE** – The number of the public legal gazette in which official university recognition was published
- **RP FILE** – The number of online file within the Public Registry corresponding to the entity. Those missing this data are legally registered under a name different from that of the university

	NAME	ID PR	ME	UP	LEGAL INSTR	DATE INST LEGAL	LEGAL GAZETTE	DATE GAZETTE	RP FILE	DATE REGISTRY	YR
1	UNIVERSIDAD SANTA MARIA LA ANTIGUA	SC	X	X	RES. NO. 33	27/04/65	15364	07/05/65	<u>401</u>	07/05/65	1965
2	UNIVERSIDAD DE DELAWARE	SC							<u>294</u>	08/07/80	1980
3	UNIVERSIDAD NOVA DEL SUR ESTE (NOVA SOUTHEASTERN UNIVERSITY)	SC							<u>1851</u>	17/11/82	1982

4	INSTITUTO SUPERIOR DE ADMINISTRACION Y TECNOLOGIA O I.S.A.T.	SC						3125	07/11/84	1984	
5	UNIVERSIDAD INTERAMERICANA DE EDUCACION A DISTANCIA DE PANAMA (UNIEDPA)	SC	X	X	DEC. NO. 45	19/03/86	26617	27/08/98	<u>17622</u>	27/05/86	1986
6	UNIVERSIDAD DEL ISTMO, S.A.	SA	X	X	RES. NO. 18	30/12/87	20962	08/01/88	<u>196424</u>	17/07/87	1987
7	INSTITUTO SUPERIOR DE COMPUTACION E INFORMATICA, S.A.	SA							<u>196397</u>	17/07/87	1987
8	UNIVERSIDAD INTERAMERICANA DE PANAMA, S.A.	SA	X	X	DEC. NO. 7	28/01/94	22473	10/02/94	<u>233438</u>	23/04/90	1990
9	UNIVERSIDAD LATINA DE PANAMA, S.A.	SA	X	X	DEC. EJEC. NO. 606	04/09/91	22723	13/02/95	<u>244663</u>	01/03/91	1991
10	INSTITUTO SUPERIOR DE CONTABILIDAD Y COMERCIO S.A. (ISCO, S.A.)	SA							<u>245005</u>	11/03/91	1991
11	UNIVERSIDAD LATINOAMERICANA DE CIENCIAS Y TECNOLOGIA (ULACIT)	SC	X	X	RES. NO. 3	07/05/93	22471	08/02/94	<u>7399</u>	28/05/91	1991
12	UNIVERSIDAD DE LA PAZ, S.A. (UPAZ)	SA	X	X	RES. NO. 67	30/05/03	24818	09/06/03			
13	COLUMBUS UNIVERSITY	SC	X	X	RES. NO. 11	13/04/94	22524	27/04/94	<u>269539</u>	25/02/93	1993
14	UNIVERSIDAD ABIERTA Y A DISTANCIA DE PANAMA (UNADP)		X	X	DEC. EJEC. NO. 159	13/04/94	22492	11/03/94	<u>9933</u>	11/04/94	1994
15	UNIVERSIDAD IBEROAMERICANA DE PANAMA, S.A.	SA							<u>286341</u>	21/04/94	1994
16	INSTITUTO SUPERIOR DE ADMINISTRACION DE EMPRESAS (ISAE)		X	X	DEC. EJEC. NO. 272	27/05/94	22524	27/04/94		13/04/94	1994
							22556	13/06/94		27/05/94	1994

17	INSTITUTO SUPERIOR DE CONTABILIDAD Y COMPUTACION, S.A. SA							<u>296440</u>	29/12/94	1994
18	UNIVERSIDAD INTERNACIONAL DE LAS AMERICAS, S.A. SA							<u>299364</u>	10/03/95	1995
19	UNIVERSIDAD LIBRE DE PANAMA, S.A. SA							<u>298719</u>	17/02/95	1995
20	INSTITUTO TECNICO LABORAL, COMPUTACIONAL Y DE TURISMO, S.A. SA							<u>303906</u>	03/07/95	1995
21	UNIVERSIDAD DE LAS AMERICAS, S.A. UNIMERICA SA							<u>319345</u>	09/08/96	1996
22	UNIVERSIDAD DEL PACIFICO (UDEP) S.A. SA							<u>319463</u>	13/08/96	1996
23	INSTITUTO DE ESTUDIOS POLITICOS E INTERNACIONALES (IEPI) - FLORIDA STATE UNIVERSITY - PANAMA BUSINESS UNIVERSITY OF THE	X	X	DEC. EJEC. NO 158	10/06/96	23083	19/06/96		10/07/96	1996
24	CARIBBEAN, S.A. SA							<u>318286</u>	12/07/96	1996
25	UNIVERSIDAD PARA LA FAMILIA SC							<u>12807</u>	27/01/97	1997
26	UNIVERSIDAD PARA LA PAZ SC							<u>13448</u>	25/08/97	1997
27	UNIVERSIDAD DE CARTAGO S.A. SA	X	X	DEC. EJEC. NO. 158	13/08/99	23868	20/08/99	<u>349064</u>	11/08/98	1998
28	UNIVERSITY OF SIMON BOLIVAR, S.A. SA							<u>354105</u>	09/12/98	1998
29	INSTITUTO SUPERIOR DE FORMACION EMPRESARIAL Y CAPACITACION EDUCATIVA, S.A. SA							<u>342435</u>	09/03/98	1998
30	UNIVERSIDAD DEL PACIFICO SC							<u>14117</u>	06/05/98	1998
31	INSTITUTO TECNOLOGICOS Y DE ESTUDIOS SUPERIORES DE MONTERREY SC	X	X					<u>14783</u>	09/12/98	1998
32	UNIVERSIDAD BARU S.A. SA							<u>363958</u>	09/07/99	1999



33	UNIVERSIDAD DE DE IBEROAMERICA- UNIBE, S.A.	SA						<u>364291</u>	15/07/99	1999	
34	UNIVERSIDAD INTERNACIONAL SAN ISIDRO LABRADOR, S.A.	SA						<u>369297</u>	27/10/99	1999	
35	UNIVERSIDAD LATINOAMERICANA DE COMERCIO EXTERIOR, S.A. (ULACEX)	SA	X	X	DEC. EJEC. NO. 95	24/05/99	23807	31/05/99	<u>356667</u>	09/02/99	1999
36	UNIVERSIDAD DE KABBALAH	SC							<u>15775</u>	27/09/99	1999
37	UNIVERSIDAD CENTRAL DE PANAMA, S.A.	SA							<u>381091</u>	14/06/00	2000
38	UNIVERSIDAD DE SANTANDER- PANAMA, S.A. (UDES-PANAMA)	SA		X					<u>383184</u>	27/07/00	2000
39	UNIVERSIDAD DEL AREA ANDINA PANAMA, S.A.	SA							<u>386010</u>	18/09/00	2000
40	UNIVERSIDAD INTERNACIONAL DE PANAMA, S.A.	SA							<u>380604</u>	05/06/00	2000
41	UNIVERSIDAD INTERNACIONAL, S.A. INSTITUTO SUPERIOR POLITECNICO	SA	X		DEC. EJEC. NO. 225	29/05/03	24815	04/06/03	<u>377212</u>	27/03/00	2000
42	DE AMERICA, S.A.	SA							<u>383879</u>	11/08/00	2000
43	UNIVERSIDAD PANAMERICANA	FIP	X	X	DEC. EJEC. NO. 174	21/06/01	24331	26/06/01	<u>3594</u>	09/08/00	2000
44	INSTITUTO URABA	SC							<u>17014</u>	05/12/00	2000
45	UNIVERSIDAD PLANALTO DE LAS AMERICAS S.A.	SA							<u>403196</u>	17/07/01	2001
46	UNIVERSIDAD RAFAEL NUÑEZ, S.A. UNIVERSIDAD SAN MARTIN DE	SA	X		DEC. EJEC. 261	24/08/06	25618	28/08/06	<u>410449</u>	26/12/01	2001
47	PANAMA, S.A.	SA	X	X					<u>403903</u>	31/07/01	2001
48	DELPHI UNIVERSITY CORPORATION	SA		X					<u>410886</u>	04/01/02	2002

49	UNIVERSIDAD AMERICANA, S.A.	SA	X	X	DEC. EJEC. NO. 670	19/12/02	24705	23/12/03	<u>414699</u>	25/03/02	2002
50	UNIVERSIDAD INTERNACIONAL DE COMERCIO Y EDUCACION, S.A. UNIVERSIDAD LIBRE DE COSTA RICA, S.A.	SA	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>420348</u>	24/07/02	2002
51	UNIVERSIDAD METROPOLITANA DE EDUCACION, CIENCIA Y TECNOLOGIA, S.A. (UMECIT)	SA	X	X	DEC. EJEC. NO. 575	21/07/04	25102	27/07/04	<u>426783</u>	12/12/02	2002
52	INSTITUTO SUPERIOR LATINOAMERICANO DE ADMINISTRACION Y TECNOLOGIA NAVAL, S.A.	SA	X	X	DEC. EJEC. NO. 92	27/02/03	24756	10/03/03	<u>331741</u>	27/02/03	2003
53	QUALITY LEADERSHIP UNIVERSITY, S.A. (UNIVERSITY OF LOUISVILLE PANAMA)	SA	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04		22/07/03	2003
54	UNIVERSIDAD CRISTIANA DE PANAMA ESPECIALIZADA EN CIENCIAS ADMINISTRATIVAS Y TECNOLOGICAS UNIVERSIDAD INTERNACIONAL DEL PACIFICO S.A.	SA	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>444909</u>	12/12/03	2003
55	UNIVERSIDAD INTERNACIONAL DE AMERICA LATINA, S. A.	SA	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>442699</u>	30/10/03	2003
56	UNIVERSIDAD PAULO FREIRE DE PANAMA, S.A.	SA	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>428091</u>	15/01/03	2003
57	UNIVERSIDAD POLITECNICA DE CENTROAMERICA, S.A.	SA	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>441848</u>	17/10/03	2003
58	UNIVERSIDAD PRINCIPE JOSE, S.A	SA	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>435786</u>	26/06/03	2003
59	UNIVERSIDAD INTERNACIONAL-UI (INTERNATIONAL UNIVERSITY) UNIVERSIDAD PARTICULAR DE CIENCIAS DEL MERCADO	SC	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>19966</u>	09/10/03	2003
60	UNIVERSIDAD INTERNACIONAL-UI (INTERNATIONAL UNIVERSITY) UNIVERSIDAD PARTICULAR DE CIENCIAS DEL MERCADO	SC	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>20073</u>	14/11/03	2003
61	UNIVERSIDAD TECNOLÓGICA OTEIMA FIP	FIP	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>8783</u>	23/07/03	2003
62	UNIVERSIDAD TECNOLÓGICA OTEIMA FIP	FIP	X	X	DEC. EJEC. NO. 582	04/08/04	25110	06/08/04	<u>8783</u>	23/07/03	2003

64	INSTITUTO TECNICO DE AVIACION UNIVERSIDAD BOLIVARIANA INTERNACIONAL DE PANAMA (UBIPA)	SC						<u>20227</u>	21/01/04	2004
65	S.A.	SA						<u>471207</u>	21/12/04	2004
66	UNIVERSIDAD CENTROAMERICA DE PANAMA, S.A (UCAP)	SA						<u>456558</u>	25/06/04	2004
67	UNIVERSIDAD CORPORATIVA DE PANAMA, S.A.	SA						<u>455532</u>	07/06/04	2004
68	WEST COAST UNIVERSITY INC. UNIVERSIDAD ESPECIALIZADA DEL CONTADOR PUBLICO AUTORIZADO	SA						<u>452428</u>	20/04/04	2004
69	(UNESCPA)		X	X	DEC. EJC. NO. 302	22/04/04	25036	26/04/04	22/04/04	2004
70	UNIVERSIDAD DEL ARTE GANEXA INSTITUTO SUPERIOR DE LOS		X	X	DEC. EJEC. NO. 573	21/06/04	25102	27/07/04	21/07/04	2004
71	LLANOS, S.A.	SA						<u>468325</u>	23/11/04	2004
72	UNIVERSIDAD DE OXFORD INTERNATIONAL		X	X	DEC. EJEC. NO. 15	01/02/05	25234	10/02/05	01/02/05	2005
73	UNIVERSITY EUROPANAMENSE S.A. CENTRO DE ESTUDIOS SUPERIORES	SA						<u>495725</u>	27/06/05	2005
74	THE OXFORD UNIVERSITY OF PANAMA, INC.	SA						<u>499152</u>	19/07/05	2005
75	INSTITUTO SUPERIOR INTERNACIONAL DE INTERCAMBIO TECNOLOGICO Y DE CAPACITACION	FIP						<u>16128</u>	12/12/05	2005
76	UNIVERSIDAD CENTRAL, S.A.	SA						<u>526065</u>	17/05/06	2006
77	UNIVERSIDAD HISPANOAMERICANA DE PANAMA, S.A.	SA						<u>530230</u>	23/06/06	2006
78	UNIVERSIDAD NUESTRA SEJORA DEL CARMEN (UNESCA)	SA						<u>526988</u>	24/05/06	2006
79	UNIVERSITY OF CENTRAL LEEDS CORP.	SA						<u>536439</u>	28/08/06	2006

80	INSTITUTO SUPERIOR DE DESARROLLO TECNICO GERIZIM, S.A.	SA						<u>530282</u>	26/06/06	2006
81	UNIVERSIDAD PALLADIUM		X	X	DEC. EJEC. 40	06/03/06	25498	08/03/06		2006
82	UNIVERSIDAD METROPOLITANA DE PANAMA (UMET)		X	X	DEC. EJEC. 287	08/09/06	25634	19/09/06		2006
83	UNIVERSIDAD HOSANNA INTERNATIONAL		X	X	DEC. EJEC. 286	08/09/06	25634	19/09/06		2006
84	UNIVERSIDAD ALTA DIRECCION		X	X	DEC. EJEC. 260	24/08/06	25618	28/08/06		2006
85	UNIVERSIDAD DE COMUNICACION VISUAL PANAMA, S.A.	SA						<u>582742</u>	11/09/07	2007
86	UNIVERSIDAD DE PALERMO INC.	SA						<u>594608</u>	06/12/07	2007
87	UNIVERSITY OF SILVANER, INC.	SA						<u>590571</u>	08/11/07	2007
88	UNIVERSITY OF YORK, PANAMA INC.	SA						<u>576145</u>	17/07/07	2007
89	INSTITUTO SUPERIOR DE ANIMACION Y DISEÑO, S.A. (ISAD)	SA						<u>566675</u>	09/05/07	2007
90	UNIVERSIDAD TECNICA DE LA COMUNICACION (UTC)		X		DEC. EJEC. 2	23/01/07	25760	29/03/07		2007

**Appendix 2**  
**Chronology of Higher Education Legislation and International Accords**  
**Republic of Panama, 1903-2007**

**I. National Legislation**

	<b>Instrument</b>	<b>Date</b>	<b>Purpose</b>
1	Law 11	Mar 23, 1904	Establishes the Organic law on public instruction.
2	Law 52	May 20, 1904	Authorizes construction of a building to house a public university.
3	Law 6	Sep 26, 1906	Develops Law 83 of 1904.
4	Law 22	Jun 1, 1907	Reforms Law 11 (1904) and creates the National Institute of Panama (where the University of Panama will eventually operate in 1935).
5	Law 20	Jan 27, 1917	Authorizes the Executive Power to manage the Foundation of the Panamerican University, a institution designed to serve the region (which does not materialize).
6	Decree 6	Mar 27, 1917	Dictates the substantive regulation of the Panamerican University.
7	Decree 7	Jan 25, 1918	Creates the School of Law and Political Science and a National Faculty of Law.
8	Executive Decree 31	Apr 28, 1920	Establishes the National Institute and the School of Pharmacy.
9	Law 41	Nov 27, 1924	Modifies certain articles of the Administrative Code for public instruction.
10	Decree 67	Nov 17, 1925	Creates a founding board for the School of Medicine of the Bolivarian University (another institution envisioned to serve the region that does not materialize).
11	Decree 50	Jun 20, 1926	Institutes the Bolivarian University of Panama.
12	Decree 83	Oct 5, 1926	Creates the University Council and dictates certain norms for the Bolivarian University.
13	Executive Decree 55	May 29, 1933	Establishes the National Institute, a Pedagogical Institute and a Faculty of Education and regulates the operation of the Free School of Law, Pharmacy and Land Surveying.
14	Decree 29	May 29, 1935	Creates the National University of Panama.
15	Law 53	May 23, 1941	Establishes executive authority for promoting intellectual and artistic progress through concession of scholarships to citizens born in Panama.
16	Law 122	Apr 9, 1943	Cedes rights to the Executive Power for organizing the Inter-American University (another regional institute concept that does not

			come to fruition).
17	Decree 589	Jun 15, 1943	Establishes the National University statute.
18	Executive Decree 647	Aug 13, 1943	Institutes the Inter-American University and incorporates the National University.
19	Executive Decree 720	Nov 17, 1943	Establishes the transitory provisions for regulating the Inter-American University.
20	Law 47	Sep 24, 1946	Establishes the Organic Law of Education within the new constitution, which grants the University of Panama the power to recognize academic and professional titles as well as to confer titles.
21	Law 48 <sup>1</sup>	Sep 20, 1946	Establishes university autonomy.
22	Law 7	Jan 2, 1951	Establishes scholarships for the medical school of the University of Panama.
23	Law 21	Jan 31, 1957	Provides for daytime higher education instruction in the University of Panama.
24	Law 4	Jan 13, 1958	Establishes national university extension courses in the cities of David, Chitre and Santiago.
25	Law 10	Apr 7, 1960	Grants retirement and pensions to the personnel of the University of Panama.
26	Law 97	Dec 9 1960	Establishes financial aid in the form of \$5,000 annually to expand studies of nuclear application at the University of Panama and creates the Radioactive Isotopes Unit within the Faculty of Science.
27	Law 103	Dec 27 1960	Extends the charter of experimentation and research for the Instituto Nacional de Agricultura (National Agriculture Institute) in Divisa, and grants authority over the center to the University of Panama, which facilitates for the university and the ministries of agriculture, commerce and industry use of Institute property and installations for activities associated with agronomy.
28	Law 60	Dec 11, 1961	Adds provisions for regulating Law 4 of 1958 that establishes university extension courses.
29	Law 26	Jan 29, 1963	Establishes the department of advanced nursing studies in the University of Panama and assigns responsibility to the Faculty of Sciences for organizing the department and putting the program of specialized studies into practice.
30	Law 30	Jan 29, 1963	Creates the "Doctor Harmodio Arias Madrid" scholarship to help outstanding students

<sup>1</sup> It should be noted that the University of Panama Statute, approved by the university's General Council, develops the guidelines put forth in this law and also assumes many of the higher education responsibilities stipulated in Law 47 of 1946 but not directly assigned to the University of Panama.

			continue their studies at university level. Recipients will be selected by the Ministry of Education and must study at the University of Panama; in the event that the chosen course of study does not exist within the University of Panama program, the student may choose to attend a foreign university.
31	Law 31	Jan 30, 1963	Creates an official study subject for all secondary schools on "Relations between Panama and the United States of America", which will be included in the curriculum in one of the two final years of study and recommended for inclusion in all the schools and faculties of the University of Panama as well.
32	Decree 15	May 23, 1963	Amends Article 4 of Law 48 of 24 September 1946 on University Autonomy and alters the composition of the "Consejo General Universitario" (the General University Council).
33	Decree 16	Jul 11, 1963	Regulates the establishment and operation of private universities in the Republic of Panama <sup>2</sup> This law defines the term "private university" and recognizes the right to establish and operate private universities in the Republic of Panama subject to existing conditions, norms and regulations. It states that private universities must petition the Ministry of Education for the necessary authorization of operation prohibits them from engaging in any form of discrimination, with regard to both professors and students, on the basis of social, racial or political differences.
34	Law 75	Nov 14, 1963	Entrusts to the University of Panama the organization of a Faculty of Dentistry along with the resources for its operation and development.
35	Resolution 33	Apr 27, 1965	Authorizes the establishment of the first private university, the "Santa Maria La Antigua," in accord with the petition submitted to the government by the National Federation of Catholic School Parents' Associations ("Federación Nacional de Asociaciones de Padres de Familia de los Colegios Católicos).
36	Decree 233	Jul 4, 1965	Creates within the Ministry of Education a private university supervising entity ("Organismo Fiscalizador de Universidades

<sup>2</sup> This decree also subjects the private universities to the supervision of a Board formed by a representative of the Ministry of Education, the Dean of the University of Panama, and the Dean of the respective Faculty or Department that best corresponds to the particular university in question. This Board responsibility is transferred entirely to the University of Panama by article 95 of the 1972 Constitution.

			Privadas") and defines its organizational structure.
37	Law 9	Feb 1, 1966	Authorizes the University of Panama to apply for a loan to improve the university facilities and pursue current academic goals.
38	Law 51	Feb 2, 1967	Authorizes the international agreement for the establishment of a Central American School of Public Administration (Escuela Superior de Administración Pública para América Central – ESAPAC).
39	Law 52	Feb 2, 1967	Approves the agreement between the United Nations and the governments of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, member countries of Central American School of Public Administration (Escuela Superior de Administración Pública para América Central – ESAPAC), on the technical assistance for this entity.
40	Cabinet Decree 97	Dec 30, 1968	Designates the members of the Board of Regents of the University of Panama and puts university education under the control of the dictatorship
41	Cabinet Decree 144	Jun 3, 1969	Reorganizes the University of Panama to reflect changes of the 1968 Cabinet Decree 97
42	UP Statute	Jun 16, 1970	Modifies the University of Panama Statute in line with national legislation (1968-69)
43	Cabinet Decree 251	Jul 16, 1970	Amends Articles 10 and 12 of Cabinet Decree 144 of 1969 reorganizing the University of Panama with regard to the powers of the "Consejo Directivo" (Governing Council) and the "Consejo Universitario" (University Council) and their corresponding functions.
44	Decree 755	Oct 5, 1971	Creates the Nautical School ("Escuela Nautica") for maritime post-secondary education.
45	National Constitution Article 95	1972	The Constitution grants the state university general programming oversight responsibility for all private university institutions established in Panama.
46	Resolution 285	Mar 20, 1973	Creates the National Nautical Education Council (Consejo Nacional Asesor de Educacion Nautica) to aid with direction of the newly established Nautical School.
47	Law 57	Jul 12, 1973	Amends article 15 of Cabinet Decree 144 of 1969 reorganizing the University of Panama in terms of responsibilities and positions corresponding to the various university departments, research centers and offices.
48	Law 1	Oct 23, 1975	Approves the Regional Agreement on recognition of higher education studies, degrees and diplomas in Latin America and the Caribbean, signed in Mexico on July 19, 1974.



49	Law 7	Oct 26, 1976	Approves the Central American Agreement on cooperation in the fields of education, art, science and technology, signed in Panama City in March 1976.
50	Law 6	Nov 7, 1978	Approves an agreement with the Socialist Republic of Rumania on educational, scientific and cultural cooperation, signed in Bucarest on September 6, 1978.
51	Law 5	Oct 24, 1979	Approves the Agreement on the Latin American Faculty of Social Sciences (FLACSO), created to promote higher education and research in this field. (Place and date of adoption not given.)
52	Law 4	Oct 24, 1979	Approves the agreement adopted by countries of Latin America and the Caribbean on cooperation to reorganize the "Instituto Latinoamericano de la Comunicacion Educativa" (ILCE), signed in Mexico on May 31, 1978.
53	Law 11	Jun 8, 1981	Reorganizes the University of Panama through a new Organic Law, eliminating the dictatorship controls instilled by the 1968 Decree and allowing for the democratization of the institution.
54	Law 18	Aug 13, 1981	Authorizes creation of the Technological University of Panama (UTP).
55	Law 7	Mar 17, 1982	Amends article 4 of Law 18 of 8/13/81, which creates the Technological University of Panama, concerning the period of time during which the Law will be in effect for the presentation of its organic law.
56	Law 15	May 28, 1982	Amends article 4 of Law 18 of 1981, which creates the Technological University of Panama as amended by Law 7 of 1982, with regard to the regulation of the law.
57	Law 14	Aug 17, 1983	Modifies article 13 of Law 11 of 1981 and reorganizes the University of Panama concerning the authority of the President of the University to create, abolish, modify and merge educational institutions.
58	Law 9	Oct 25, 1983	Approves the agreement with Guinea-Bissau on educational, scientific, and cultural cooperation, signed in Panama City on March 16, 1982.
59	Law 17	Oct 9, 1984	Authorizes the Technological University of Panama to offer scientific-technological higher education pursuant to the goals and objectives of its creation. The university offer will include technical levels of professional training, Master's degrees, post-graduate courses and other courses of higher education.
60	Decree 45	Mar 19, 1986	Authorizes the operation of the private university "Universidad Interamericana de

			Educación a Distancia" (UNIEDPA).
61	Resolution 18	Dec 30, 1987	Authorizes the operation of the Private University "Universidad Del Istmo" in the Republic of Panama, which shall be regulated by the National Constitution, the Decree-Law 16 of 7/11/63, its organic bylaws and other pertinent legislation.
62	Decree 3	May 7, 1991	Authorizes the operation of the private university "Universidad Latinoamericana de Ciencia y Tecnología" (ULACIT).
63	Law 6	May 24, 1991	Supersedes articles 24 and 25 of Law 11 of 1981 concerning election of the President of the University of Panama and terms of service of the Vice-Presidents, Deans, Directors, etc. of the Regional University Centers and election procedure. Repeals article 11(1) of Law 11 of 1981.
64	Decree 606	Sep 4, 1991	Authorizes the operation of the private university "Universidad Latina de Costa Rica" with the privileges and exemptions specified therein; this university will be regulated by the National Constitution, Decree-Law 16 of 7/11/63, and by its organic statute.
65	Decree 113	Apr 13, 1992	Authorizes the operation of the private university "Universidad Interamericana de Costa Rica y Panamá."
66	Resolution 3	May 7, 1993	Authorizes the operation in the Republic of Panama of the Private University "Universidad Latinoamericana de Ciencia y Tecnología" that shall be regulated by the National Political Constitution, Decree-Law 16 of 1963, its organic statute and other applicable laws, and is subject to the control by the "Universidad Oficial del Estado", pursuant to article 95 of the Constitution.
67	Decree 112	Feb 25, 1994	Authorizes the operation of the private university "Columbus University."
68	Decree 11	Apr 13, 1994	Authorizes the operation of the private university "Universidad de la Paz."
69	Decree 159	May 13, 1994	Authorizes the operation of the private university "Universidad Abierta y a Distancia de Panamá."
70	Decree 272	May 27, 1994	Authorizes the operation of the private university "Instituto Superior de Administración de Empresas."
71	Law 26	Aug 30, 1994	Creates the Autonomous University of Chiriqui in the Western Region with its main headquarters in the district of David, Province of Chiriqui, and adopts other administrative provisions. The provisions of this law become

			effective on 4/1/95.
72	Law 27	Nov 17, 1994	Reforms various articles of Law 11 of 1981, the Organic Law of the University of Panama and creates two Vice-rectories, one of university extensions and the other of student affairs.
73	Law 34	Jul 6, 1995	Annuls, modifies, adds and subrogates various articles of Law 47 of 1946, the Organic Law of Education, thus amplifying the concept of higher education.
74	Inter-university Statute	1995	Creates the Consejo de Rectores de Panamá (Council of Rectors, CRP) formed of the public and private universities operating in Panama with legal recognition from the Ministry of Education or by virtue of international treaty.
75	Law 21	Jan 8, 1996	Approves in all its parts participation in the Andres Bello Agreement on educational, scientific, technological, and cultural integration of the Andean region, signed in Madrid, Spain, on 11/27/90.
76	Executive Decree 158	Jul 10, 1996	Authorizes the "Florida State University - Panama" to operate in the Republic of Panama, as a private university and adopts other administrative provisions.
77	Law 57	Jul 26, 1996	Amends several provisions of Law 17 of 1984 concerning authorities and functions of the "Universidad Tecnologica de Panama"; classification of teaching personnel; procedures for elections of Deans, Deputy-Deans, and Directors of the Regional Technological Institutes and of the Regional Centers.
78	Law 72	Dec 30 1996	Approves the agreement between Panama and Greece on cooperation and exchange in the educational and cultural fields, signed in Athens on 18 April 1996.
79	Decree 57	Apr 2, 1997	Authorizes the operation of the private institution ITEA Junior College.
80	Agreement Panama - Smithsonian	Jun10, 1997	Text of the agreement between Panama and the Smithsonian Tropical Research Institute (STRI) authorizing the Institute to continue performing scientific research activities in the field of tropical biology, including studies on ecology, geology, archaeology and anthropology in the country, signed in Panama City on 10 June 1997.
81	Executive Decree 161	Oct 6, 1997	Creates the departments of National Higher Education Coordination along with the corresponding objectives, functions and executive position requirements.
82	Executive Decree 193	Nov 5, 1997	Regulates the operation and administration of the public post-secondary education centers.

83	Law 37	Nov 14, 1997	Approves the agreement on cultural and educational exchange and integration between Panama and Peru, signed in Lima on 6 November 1996.
84	Law 40	Nov 18, 1997	Creates the "Universidad Especializada de las Americas" (UDELAS) as an official university of the Republic of Panama and adopts the pertinent administrative provisions.
85	Law 6 <sup>3</sup>	Feb 10, 1998	Approves the contract between the State and the City of Knowledge Foundation for the establishment and development of the City of Knowledge.
86	Agreement Panama-UNESCO	May 7, 1998	Agreement between the Republic of Panama and the United Nations Educational, Scientific, and Cultural Organization (UNESCO), signed in Panama and Paris, which allows for the establishment of a national and regional UNESCO base in the country of Panama.
87	Law 44	Jul 1, 1998	Approves the agreement on educational and cultural cooperation between Panama and Mexico, signed in Mexico City on 29 July 1997.
88	Resolution 4	Jul 9, 1998	Establishes procedure for the evaluation of aspiring foreigners to the Residential Scholarship positions in the teaching hospitals of the republic.
89	Law 64	Jul 15, 1998	Approves the Convention of Cultural, Educative and Scientific Cooperation, between Panama and Cyprus signed in the city of Panama on January 13 of 1997.
90	Law 65	Oct 15, 1998	Approves the agreement on cultural and educational exchange between Panama and Argentina, signed in Buenos Aires on 20 August 1997.
91	Law 73	Nov 5, 1998	Approves the agreement between Panama and the Russian Federation on cooperation in the fields of culture, science, education, and sports, signed in Santa Fe de Bogota, Colombia, on 27 November 1997.
92	Law 78	Nov 13, 1998	Approves the agreement on cultural cooperation between Panama and Guatemala, signed in Guatemala on 20 May 1998.
93	Law 79	Nov 13,	Approves the basic agreement on cultural and

<sup>3</sup>The City of Knowledge is an international complex for education, research and innovation that was developed to promote and facilitate synergies between universities, scientific research centers, businesses, and international organizations. It is governed by a private non-profit organization and is physically situated in the former U.S. Fort Clayton of the Canal Zone. The City of Knowledge project is supported by the United Nations, the Inter-American Development Bank, the European Union, USAID and various other international organizations.

		1998	educational cooperation between Panama and Ecuador, signed in Panama City on 3 December 1997.
94	N.A.	Jan 22, 1999	Text of the agreement between Panama and the University for Peace of the United Nations on the establishment of a sub-seat of the University in the Republic of Panama, signed in Panama on 22 January 1999.
95	Executive Decree 50	Mar 23, 1999	Repeals Decree 193 of 1997 and regulates the operation of private and public higher education centers with regard to their definition, specific objectives, requirements for authorization to operate, academic structure, supervision and coordination by the "Direccion Nacional de Coordinacion del Tercer Nivel de Ensenanza o Educacion Superior."
96	Executive Decree 95	May 24, 1999	Authorizes the operation of the private university "Universidad Latinoamericana de Comercio Exterior, S.A., ULACEX."
97	Law 14	May 27, 1999	Approves in all its parts the agreement between Panama and Cuba on cultural and educational cooperation, signed in Havana on 16 February 1999.
98	Executive Decree 158	Aug 13, 1999	Authorizes the operation of the private university "Universidad de Catargo."
99	Executive Decree 174	Jun 21, 2001	Authorizes the operation of the private university "Universidad Panamericana."
100	Law 35	Jul 4, 2001	Approves the International Agreement between the Republic of Panama and the Kingdom of Spain, amending the pact of cultural cooperation. The signing parts agree to recognize the education certificates (diplomas) and official titles that will give credit to the higher education obtained by an individual in either of the countries.
101	UP Regulation	Jul 31, 2001	Regulates an extensive set of specifics for university administration from professor contracts and benefits to grading and ethics.
102	Executive Decree 670	Dec 19, 2002	Authorizes the operation of the private university "Universidad Americana."
103	Executive Decree 92	Feb 27, 2003	Authorizes the operation of the private "Quality Leadership University."
104	UP Regulation	Mar 10, 2003	Regulates norms of supervision for private universities.
105	UP Statute	Mar 10, 2003	Modifies the University of Panama Statute with regard to private university supervision.
106	Executive Decree 225	May 29, 2003	Authorizes the operation of the private university "Universidad Internacional."
107	Executive Decree 302	Apr 22, 2004	Authorizes the operation of the private university "Universidad Especializada del

			Contador Publico Autorizado (UNESCPA).
108	Executive Decree 573	Jun 21, 2004	Authorizes the operation of the private university "Universidad del Arte Ganexa."
109	Law 30	Jul 19, 2004	Law 30-2004 promotes the technical and scientific cooperation between the Republic of Panama and the Government of Saint Kitts and Nevis. The program is going to be supported by international agencies and public institutions specialized in social work.
110	Executive Decree 575	Jul 21, 2004	Authorizes the operation of the private university "Univerisdad Metropolitana de Educaci3n, Ciencia y Tecnologia (UMET)."
111	Executive Decree 582	Aug 4, 2004	Authorizes the operation of the private university "Universidad Internacional de Comercio y Educaci3n."
112	Executive Decree 582	Aug 4, 2004	Authorizes the operation of the private university "Universidad Cristiana de Panama Especializada en Ciencias Administrativas y Tecnologicas."
113	Executive Decree 1030	Dec 30, 2004	Establishes the National Education Council (Consejo Nacional de Educaci3n, CONACED), a task force charged with analyzing and proposing policy designed to better the quality of education at all levels.
114	Executive Decree 15	Feb 1, 2005	Authorizes the operation of the private university "Universidad de Oxford International."
115	Law 24	Jul 14, 2005	Amends the Organic Law of the University of Panama and obliges the University of Panama to submit an annual management report to the National Assembly and an annual budget performance report to the Office of the Comptroller General.
116	Executive Decree 40	Mar 6, 2006	Authorizes the operation of the private university "Universidad Palladium."
117	Law 23	Jun 29, 2006	Modifies and adds new articles to Law 1 of 1965, creating the Institute for Human Resource Development (INFARHU). Among its objectives are to modify the duties of the board of trustees, approve budget programs and projects, authorize the Director transactions, and administer funds.
118	Law 30	Jul 20, 2006	Repeals Decree-Law 16 of July 11, 1963 and creates a National Evaluation and Accreditation System for the Quality Improvement of University Education. It determines scope of authority; establishes the National Evaluation and Accreditation System for the Quality Improvement of University Education, made up of representatives of the Ministry of Education

			and the public and private universities; sets down guiding principles, sources of financing and objectives; creates the National Council for University Evaluation and Accreditation in Panama, an independent body for appraising the quality improvement of university education; and establishes two technical advisory committees and ad hoc technical committees.
119	Executive Decree 260	Aug 24, 2006	Authorizes the operation of the private university "Universidad Alta Dirección."
120	Executive Decree 261	Aug 24, 2006	Authorizes the operation of the private university "Universidad Rafael Nuñez."
121	Executive Decree 286	Sep 19, 2006	Authorizes the operation of the private university "Universidad Hosanna International."
122	Executive Decree 287	Sep 8, 2006	Authorizes the operation of the private university "Universidad Metropolitana de Panamá (UMET)."
123	Executive Decree 2	Jan 23, 2007	Authorizes the operation of the private university "Universidad Técnica de la Comunicación."

Sources: GLIN 2008, Ceville 2003, IADB 2003, UNESCO-IESALC 2005

## II. Legislation for U.S. Universities in Panama

	Instrument	Year	Purpose
1	USDoD resolution	1933	Establishes the Panama Canal College (junior college) in the Panama Canal Zone.
2	USDoD resolution	1957	Establishes Florida State University in the Panama Canal Zone.
	Decree No. 158	1996	Establishes Florida State University in Panama.
3	USDoD resolution	1980	Establishes Central Texas College in the Panama Canal Zone.
4	Executive Decree No. 12	1982	Establishes Nova Southeastern University in Panama.
5	USDoD resolution	1984	Establishes the University of Oklahoma in the Panama Canal Zone.
6	Public Registry inscription	1998	Establishes the University of Louisville in Panama.

Sources: Arjona and Planells 1998; Websites of cited universities.

## III. International Accords

	Instrument	Date	Purpose
1	Central American inter-university Declaration	1948	Creates the Central American University Confederation (Confederación Universitaria Centroamericana) and its principal authority, the Central American University Council (Consejo Superior Universitario Centroamericano, CSUCA), formed of the public universities in Central America (the University of Panama among them) with a view to improving integration of university education in the sub-region
2	UN-Central American Accord	1966-7	Approves the agreement between the United Nations and the governments of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, member countries of Central American School of Public Administration (Escuela Superior de Administración Pública para América Central – ESAPAC), on the technical assistance for this entity.
3	Regional Accord	Jul 19, 1974	Regional accord on recognition of higher education studies, degrees and diplomas in Latin America and the Caribbean, signed in Mexico
3	Regional Accord	Jul 19, 1974	Regional accord on recognition of higher education studies, degrees and diplomas in Latin America and the Caribbean, signed in Mexico



4	FLACSO Agreement	1979	Approves the Agreement on the Latin American Faculty of Social Sciences (FLACSO), created to promote higher education and research in this field.
5	Andres Bello Agreement	1996	Approves in all its parts participation in the Andres Bello Agreement on educational, scientific, technological, and cultural integration of the Andean region, signed in Madrid, Spain, on 11/27/90.
6	Panama-FSU Accord	1996	Authorizes the "Florida State University - Panama" to operate in the Republic of Panama, as a private university and adopts other administrative provisions.
7	Panama-Smithsonian Agreement	1997	Agreement between Panama and the Smithsonian Tropical Research Institute (STRI) authorizing the Institute to continue performing scientific research activities in the field of tropical biology, including studies on ecology, geology, archaeology and anthropology in the country, signed in Panama City on 10 June 1997.
8	Panama-UNESCO Agreement	1998	Agreement between the Republic of Panama and the United Nations Educational, Scientific, and Cultural Organization (UNESCO), signed in Panama and Paris, which allows for the establishment of a national and regional UNESCO base in the country of Panama
9	Panama-UN UPEACE accord	Jan 22, 1999	Agreement between Panama and the United Nations University for Peace on the establishment of a sub-seat of the University (based in Costa Rica) in the Republic of Panama.
10	Florianopolis Declaration	Aug 2000	Signed in Florianopolis, Brazil in by the members of the Association of Latin American Universities (AULA), the Association of European Universities (CRE) and the Collaboration in University Management: a Bridge between Universities and Scholars in Latin America and Europe (COLUMBUS), this declaration fosters convergence, links and mobility between European and Latin American universities and proposes a Latin American-European action plan for promoting the efficiency, excellence, relevance, diversity and attractiveness of higher education in both regions.
11	America Latina Formación Académica	Oct 2002	Based on the Florianopolis output, the ALFA Tuning Latin America Project is an inter-continental initiative supported by the European Commission and 18 countries in Latin America

11	America Latina Formación Académica (ALFA) Tuning Latin America Project	Oct 2002	Based on the Florianopolis output, the ALFA Tuning Latin America Project is an inter-continental initiative supported by the European Commission and 18 countries in Latin America designed to facilitate coordination and collaboration among the 186 universities of Latin America along with their European counterparts.
12	Articles of Incorporation RIACES	May 7, 2003	Forms the Ibero-American Network for Accreditation of Higher Education Quality (Red Iberoamericana para la Acreditación de la Calidad de la Educación Superior, RIACES); the University of Panama represents the country within the organization.
13	Articles of Incorporation Central American Accreditation Council (CCA)	Nov 2003	Establishes a non-profit organization in coordination with the Ministries of Education of the Central American countries (Guatemala, El Salvador, Honduras, Belize, Nicaragua, Costa Rica and Panama) and the Central American Higher Education Council (CSUCA) to promote the quality and integration of higher education in the region through national and regional accrediting bodies that have been properly recognized by the CCA.

Sources: UNESCO-IESALC 2005, IADB 2003, CCA 2007, CSUCA 2007, ILO 2008, GLIN 2008

### Appendix 3

#### Synthesis of Multiple Theories related to Higher Education Globalization

The table below presents a summary of different conceptualizations and theories of globalization put forth in some of the initial discussions related to higher education globalization as they appear in the research of Brian Yoder (2006).

Globalization Concept/Theory	Description of Effects
	<p>Beerkens, E. 2003. "Globalisation and Higher Education Research." <i>Journal of Studies in International Education</i> 7:128-148.</p>
Geographical	<p>Geographical globalization emphasizes increased movements of people and goods during the last century. During the early part of the 19th century, transport technology improved both land and maritime transportation allowing for a world economic system to develop. What is different from the past is the intensification of transportation and its transformation to the global system of nation states, diminishing the time and distance barriers of prior years.</p>
Authority	<p>This theory of globalization considers recent changes of the nation-state. A commonly discussed change in nation-state authority is the decrease in the states' role in providing welfare to citizens and nation-states taking on more of a role in "guiding" or "steering from a distance" organizations traditionally funded by the state like public higher education. The changes of nation-state authority are enacted because they are more suitable for the nation-states to compete internationally.</p>
Cultural	<p>Cultural Globalization is conceptualized as the mixing of cultures and its consequences. Beerkens (2003) identifies pessimistic and positivistic outcomes of cultural mixing. The pessimistic "clash of civilizations" (Huntington, 1996) predicts inevitable conflicts between the East and West, and between modern societies and traditional Islamic societies; while Friedman (1999) optimistically predicts a modern global culture will triumph without loss of important aspects of local culture.</p>
Institutional	<p>Institutional globalization views the globe as an institution where national identity, national commitment, and national citizenship are replaced by a cosmopolitan identity, cosmopolitan commitment and cosmopolitan citizenship. Social cohesion is no longer embedded in national institutions but is</p>

	being substituted for some form of cosmopolitan solidarity.
Welch, A. 2002. "Going global? Internationalizing Australian universities in a time of global crisis." <i>Comparative Education Review</i> 46: 433 – 72.	
World Systems Theory	World Systems Theory, based largely on the ideas of Immanuel Wallerstein, argues that the world is an economic system consisting of countries that are either core, semi-peripheral, or peripheral in relation to divisions of world labor. Core areas, having the most control over the system, are able to accumulate wealth from semi-peripheral and peripheral areas through the more advanced structural development.
Global culture	Global culture is similar to world systems theory in its ideas of structure, but views culture as the most important globalizing force rather than the economy. In global culture, images and text are developed in core areas and distributed (sometime instantaneously) throughout the world to other core, semi-peripheral, and peripheral areas. Since most material originates in core areas and flows to non-core areas, the influence of core cultures on non-core cultures is greater.
Global society	Globalization is a unique stage of world development that has changed our sense of space and time. This theory of globalization is often associated with David Harvey, who describes globalization as a compressing of the sense of space-time and Anthony Giddens who uses the phrase "action at a distance" to describe globalization. Advances in transportation technologies as well as advances in communication technologies allow for greater influences of distant individuals/groups/organizations on the local.
Global capitalism	Global capitalism breaks out of the state-centrist approach to understanding globalization and attributes globalization to transnational elites who are pushing for the free flow of global capital. Proponents of this model note that half of the one hundred largest economies are companies rather than states. Within the transnational elite are media owners, bureaucrats and politicians who have influence within nation states to enact reforms to facilitate the spread of global capital. Global capitalism is often associated with the end of Keynesian economics, the decrease of welfare within developed countries since the late 1970s, and with reforms that have facilitated the flow of global capital and across national borders and the negotiation of free trade agreements.
McBurnie, G. (2001) Globalization: A new paradigm for higher education policy. <i>Higher Education in Europe</i> , 1, 11 – 26.	

Economic	Economic expansion is often considered to be the key driver of globalization with its highly visible flows of international capital, the movement of goods worldwide and the multinational locations of manufacturing and marketing. Education (particularly higher education) is becoming a tradable commodity. The development of a “knowledge economy” is viewed increasingly as an important source of wealth, and increasingly those with international qualifications and skills received through higher education are better prepared to participate in this segment of the economy.
Political	Political globalization is concerned with the broadest sense of governance, policymaking, and policy implementation with supranational organizations that make policy beyond the national scope. This includes non-governmental organizations, interest groups, and consultancies that may participate in the creation of policy or the implementation of policy. Examples of supranational organizations related to higher education include professional groups such as the International Network of quality Assurance Agencies in Higher Education (INQAAHE) and the recently privatized Global Alliance for Transnational Education (GATE), along with international organizations such as the United Nations, the World Trade Organization (WTO) and the International Monetary Fund (IMF).
Cultural	Cultural globalization refers to the flow of cultural images and information about cultural practices around the world. Cultural globalization is related to economic globalization, as often-traded goods are imbedded within a cultural context such as Disney movies or McDonald’s restaurants. In higher education, transnational higher education (education produced in one country being delivered to another country) is a prominent vehicle for cultural globalization.
Technological	Technological globalization views globalization from the perspective of advances in information and communication technology (ICT) and the development of ICT infrastructures that have allowed for near instant transmission of data, communication and information around the globe. These advances have created significant potential for increased opportunities in the area of transnational higher education.

**Appendix 4**  
**Interview Participant Recruitment Letter Template (in English and Spanish)**

**In English:**

(Date)

(Name)

(Title of Position)

(Institution)

(Address)

Dear \_\_\_\_\_,

Considering your considerable experience in the area of university education and the support you have always given to pertinent research projects, I am writing to solicit your cooperation.

I would like to ask you for a personal interview in connection with our research on *Perceptions of Globalization and its Effects on the Panamanian University System 1990-2007* that consists of a series of evaluative questions and a short questionnaire, which we anticipate will take approximately one hour.

I am aware of your busy schedule and for this reason I particularly appreciate whatever support you can offer us.

My colleague, Nanette Svenson, will be in charge of the interviews and will be contacting you to coordinate a convenient time.

Again, many thanks for your help and best regards,

Dr. Etilvia Arjona

Director

Center for the Study of Higher Education (CEDUSMA)

Universidad Católica Santa María la Antigua (USMA)

Panama City, Panama

Tel: 230-8398

**In Spanish:**

(Fecha)

(Título y Nombre)

(Puesto)

(Institución)

(Dirección)

Estimado/a \_\_\_\_\_,

Conociendo su excepcional trayectoria en la educación universitaria y el apoyo que siempre da a proyectos de investigación pertinentes, le escribo estas líneas para pedirle su cooperación.

Le solicitamos una entrevista personal relacionada con nuestra investigación sobre *Los Efectos de la Globalización en el Sistema Universitario de Panamá* que consiste en una serie de preguntas evaluativas y una corta encuesta. Esperamos que ésta tenga una duración de aproximadamente una hora.

Estoy conciente de la apretada agenda que tiene y por lo tanto agradezco particularmente el apoyo que nos da.

Mi colega, Nanette Svenson, estará encargada de la entrevista y le contactará para coordinar un tiempo oportuno.

De nuevo, mil gracias por la ayuda,

Dra. Etilvia Arjona

Directora

Centro para el Estudio de la Educación Superior (CEDUSMA)

Universidad Católica Santa María la Antigua (USMA)

Ciudad de Panamá

Tel: 230-8398

**Appendix 5**  
**Interview Guides**  
**(Domestic and International, in English and Spanish)**

**The Effects of Globalization on the Panamanian University System**  
**Interview Guide – Domestic institutional actors**

**Interview No.** \_\_\_\_

**Location:**

**Date:**

***NOTE:** This interview consists of two parts: Part I involves a personal interview of approximately one hour; Part II involves a brief self-administered questionnaire.*

**Descriptive data of the organization**

1. Name:
2. Year created:
3. Mission/vision:

**Demographic data for the respondent**

4. Name:
5. Sex: Male\_\_ Female\_\_
6. Nationality:
7. Post-secondary education:

	<b>Institution</b>	<b>Year(s)</b>	<b>Degree</b>	<b>Discipline</b>
1				
2				
3				
4				



## Part I. Personal Interview

### *Globalization*

8. The concept of **globalization** means different things to different people. What does this word mean to you?
9. How does **your** idea of globalization relate to the Panamanian economy (1990-2007)?
10. How does **your** idea of globalization relate to the university context in Panama (1990-2007)?

### *Growth of the university sector*

11. The university sector in Panama has experienced considerable growth in recent years (1990-2007). In your opinion, are there particular **benefits** associated with this growth? If so, please elaborate on what you think are the three most important benefits of this growth.
12. Are there particular **disadvantages** associated with this growth? If so, please elaborate on what you think are the three most important disadvantages of this growth.

### *Value of credentials*

13. In the local job market, is there a difference in the value assigned to degrees from **universities in Panama** and those from **universities outside of Panama** (in the U.S. Europe, Asia, South America)? If so, please explain.
14. What other criteria are used to distinguish among different university degrees for hiring decisions?

### *Regulation of the university sector*

15. Putting to one side the legislation currently in place, in your opinion, how **should** the university sector be regulated with regard to a) granting of official approval to operate, and b) quality assurance? (*Probe for views on Ministry of Education and/or University of Panama approval.*)
16. How do you interpret the statement, “the institution is **accredited**”?

*Strengths, Weaknesses, Opportunities, Threats*

17. What do you consider to be the three major **priorities** of the current university system?
18. What do you consider to be the three major **strengths** of the current university system?
19. What do you consider to be the three major **weaknesses** of the current university system?
20. In the recently released *World Economic Forum Global Competitiveness Report 2007*, <http://www.weforum.org>, the competitiveness ranking for Panama figures above most of Latin America—59 of 131 countries worldwide, with Chile and Mexico being the only countries from the region above it at 26 and 52, respectively. But Panama is still well below many other developing countries, for example Singapore (7), Malaysia (21), Estonia (27), UAE (37), and South Africa (44). What can the universities do to positively impact Panama's competitiveness in the global economy?

## PART II. Self-administered survey

*The questions below involve a series of ratings on a scale of 1 to 5, with ratings corresponding to the following equivalents:*

- 1 – very low or non-existent
- 2 – low
- 3 – average
- 4 – above average
- 5 – high

**A number of changes have occurred in university education over the past couple of decades. Based on *your own opinion* of the importance of these changes, please rate the issues presented in questions 20-26 in accordance with the scale presented above.**

21. The importance of the effects of the following changes on Panamanian higher education in the past couple of decades (1990-2007):

		Rating 1-5
1	More public universities in Panama	
2	More private universities in Panama	
3	More university degrees available	
4	Increased demand for university degrees in the job market	
5	Greater convergence and collaboration with other Latin American universities	
6	Greater convergence and collaboration with universities outside of Latin America	
7	More quality assurance mechanisms	

### *Value of credentials*

22. The importance of having a university degree for today's job market:

Rating 1-5

23. The following reasons as they relate to the importance of having a university degree:

		Rating 1-5
1	Potential for accessing more jobs	
2	Potential for higher salary	
3	Potential for securing full-time employment with social security benefits	
4	Potential for launching a successful entrepreneurial venture	

24. The preparation of students for today's job market by **universities in Panama** in the following areas:

(Please include any commentary you feel is necessary to explain your ratings.)

	<b>Disciplinary area</b>	<b>Rating 1-5</b>	<b>Comments</b>
1	Business administration		
2	Education		
3	Engineering		
4	Humanities (Arts and Language)		
5	Information Technology		
6	Law		
7	Medicine		
8	Science and Mathematics (biology, chemistry, physics, math, statistics)		
9	Social sciences (sociology, psychology, political science, economics)		

25. The preparation of students for today's job market by **universities outside Panama** in the following areas:

(Please include any commentary you feel is necessary to explain your ratings.)

	<b>Disciplinary area</b>	<b>Rating 1-5</b>	<b>Comments</b>
1	Business administration		
2	Education		
3	Engineering		
4	Humanities (Arts and Language)		
5	Information Technology		
6	Law		
7	Medicine		
8	Science and Mathematics (biology, chemistry, physics, math, statistics)		
9	Social sciences (sociology, psychology, political science, economics)		

26. The value of the following university credentials for hiring decisions:

	Type of degree	Rating 1-5
1	U.S. private university	
2	Online university	
3	Public Panamanian university	
4	Asian university	
5	U.S. Ivy league university	
6	Private Panamanian university	
7	U.S. state university	
8	European university	
9	Other Latin American university	

### *Growth of university sector*

27. The importance of the following factors with regard to the recent growth in number of universities in Panama:

		Rating 1-5
1	Increased market demand for university degrees	
2	Greater business opportunity for private higher education providers	
3	Increased interest by foreign universities in Panama	
4	Increased public activity in higher education	
5	Ease of obtaining permission to operate a university in Panama	

### *Accreditation*

28. Are you familiar with the National Council for Higher Education Evaluation and Accreditation (CONEAUPA)?

1	Yes	
2	No	

29. Are you familiar with the Central American Council for Higher Education Accreditation (CCA)?

1	Yes	
2	No	

**La Globalización y el Sistema Universitario de Panamá  
Guía de Entrevistas – Actores domesticos institucionales**

**Entrevista No. \_\_\_\_**

**Lugar:**

**Fecha:**

*NOTA: Esta entrevista consta de dos partes. La Parte I involucra una entrevista personal de aproximadamente media hora. La Parte II involucra un cuestionario que puede ser completado independientemente por escrito.*

**Datos descriptivos de la institución**

- 30. Nombre:
- 31. Año de fundación:
- 32. Misión/visión:

**Datos demográficos del participante**

- 33. Nombre:
- 34. Sexo:
- 35. Nacionalidad:
- 36. Educación post-secundaria:

	<b>Institución</b>	<b>Año de graduación</b>	<b>Grado/Título</b>	<b>Especialidad</b>
1				
2				
3				
4				

## Parte I. Entrevista Personal

### *La globalización*

37. La palabra “**globalización**” significa muchas cosas. ¿Qué significa para usted?
38. ¿Qué significa con respecto a la economía de Panamá en los últimos años (1990-2007)?
39. ¿Qué significa con respecto al sector universitario de Panamá en los últimos años (1990-2007)?

### *El crecimiento del sector universitario*

40. El sector universitario de Panamá ha crecido mucho en los últimos años (1990-2007). En su opinión, ¿hay ciertos **beneficios** asociados con este crecimiento? Y si sí, cuáles son las tres mayores beneficios?
41. En su opinión, ¿hay ciertas **desventajas** asociadas con este crecimiento? Y si sí, cuáles son las tres mayores desventajas?

### *Valor de los credenciales*

42. En el mercado local, hay una diferencia entre el valor asignado a los títulos de las universidades de Panamá y los títulos/grados de las universidades de otras regiones (EU, Europa, Asia, Sudamérica)? Si sí, favor explicar.
43. ¿Hay otros criterios que se usa para distinguir entre los diferentes títulos universitarios para decisiones de contratación?

### *Regulación y acreditación del sector universitario*

44. Dejando a un lado la legislación actual, en su opinión, ¿cómo se **debería** regular y reglamentar el sector universitario con respecto a (a) el permiso oficial para operar y (b) el aseguramiento de la calidad?  
(Preguntar sobre opiniones de los roles del Ministerio de Educación y la Universidad de Panamá.)
45. ¿Cómo define usted la frase “la institución está **acreditada**”?

***Fortalezas, Oportunidades, Debilidades y Amenazas***

46. En su opinión, ¿cuáles deben ser las tres **prioridades** para el sector universitario actual (público y privado)?
  47. En su opinión, cuáles son las tres mayores **fortalezas** del sector universitario actual (público y privado)?
  48. En su opinión, cuáles son las tres mayores **debilidades** del sector universitario actual (público y privado)?
  49. En el reciente publicado *World Economic Forum Global Competitiveness Report 2007*, <http://www.weforum.org>, la competitividad de Panamá fue ranqueada 59 de un total de 131 países en el mundo—con solamente dos países, Chile (26) y México (52), de América Latina saliendo mejor. Sin embargo, el ranking sigue siendo por de bajo de muchos otros países en desarrollo como, por ejemplo, Singapur (7), Malasia (21), Estonia (27), los Emiratos Arabes (37), y Sud África (44).
- ¿Qué pueden hacer las universidades para impactar positivamente la **competitividad** frente la economía global?



## PARTE II. Cuestionario

*Las preguntas abajo involucran una series de “ratings” en una escala de 1 a 5, con los números correspondiendo a los siguientes valores:*

- 1 – muy bajo o no existente
- 2 – bajo
- 3 – medio
- 4 – medio alto
- 5 – alto

*Favor responder a las siguientes preguntas usando como base su propia opinion de los asuntos presentados y la escala arriba indicada.*

50. La importancia de los efectos de los siguientes cambios en la educación universitaria durante las últimas dos décadas (1990-2007):

		Rating 1-5
1	Más universidades públicas en Panamá	
2	Más universidades privadas en Panamá	
3	Más títulos universitarios disponibles	
4	Más demanda para títulos universitarios en el mercado	
5	Más convergencia y colaboración entre las universidades de América Latina	
6	Más convergencia y colaboración entre las universidades de América Latina y las extra-regionales (de Europa, Norteamérica, Asia, etc.)	
7	Más mecanismos del aseguramiento de la calidad	

### *Valor de los credenciales*

51. La importancia hoy en día de tener un título universitario en el mercado laboral:

Rating 1-5	
------------	--

52. Las siguientes razones como están relacionadas a la importancia de tener un título universitario:

		Rating 1-5
1	Potencial para acceder más oportunidades de empleo	
2	Potencial para obtener un salario más alto	
3	Potencial para obtener empleo permanente con beneficios del seguro social	
4	Potencial para lanzar con éxito un negocio propio	

53. La preparación de estudiantes para el mercado laboral que ofrecen las **universidades de Panamá** en las siguientes áreas:  
(Favor incluir cualquier comentario necesario para explicar sus ratings.)

	<b>Campo de estudio</b>	<b>Rating 1-5</b>	<b>Comentario</b>
1	Administración de negocios		
2	Educación		
3	Ingeniería		
4	Humanidades (Arte y Literatura)		
5	Informática		
6	Derecho		
7	Medicina		
8	Ciencias y matemática (biología, química, física, matemática, estadística)		
9	Ciencias sociales (sociología, psicología, ciencia política, economía)		

54. La preparación de estudiantes para el mercado laboral que ofrecen las **universidades fuera de Panamá** en las siguientes áreas:  
(Favor incluir cualquier comentario necesario para explicar sus ratings.)

	<b>Campo de estudio</b>	<b>Rating 1-5</b>	<b>Comentario</b>
1	Administración de negocios		
2	Educación		
3	Ingeniería		
4	Humanidades (Arte y Literatura)		
5	Informática		
6	Derecho		
7	Medicina		
8	Ciencias y matemática (biología, química, física, matemática, estadística)		
9	Ciencias sociales (sociología, psicología, ciencia política, economía)		

55. El valor de los siguientes títulos universitarios en términos de empleabilidad:

	Type of degree	Rating 1-5
1	Universidad privada de los EU	
2	Universidad en línea	
3	Universidad pública de Panamá	
4	Universidad en Asia	
5	Universidad privada de Panamá	
6	Universidad pública de los EU	
7	Universidad en Europa	
8	Universidad en Sudamérica	

### *El crecimiento del sector universitario*

56. La importancia de los siguientes factores con respecto al crecimiento reciente del número de universidades en Panamá:

		Rating 1-5
1	Más demanda del mercado laboral para títulos universitarios	
2	Más oportunidad para los proveedores de servicios de la educación superior	
3	Más interés por parte de las universidades extranjeras en establecerse en Panamá	
4	Más inversión pública en la educación superior	
5	La facilidad de obtener permiso de operar una universidad en Panamá	

### *Acreditación*

57. ¿Conoce usted el Consejo Nacional de Evaluación y Acreditación de las Universidades de Panamá (CONEAUPA)?

1	Yes	
2	No	

58. ¿Conoce usted el Consejo Centroamericano de Acreditación de la Educación Superior (CCA)?

1	Yes	
2	No	

**The Effects of Globalization on the Panamanian University System**  
**Interview Guide – Regional actors**

**Regional Interview No.**  
**Date:**

**Location:**

*NOTE: This interview consists of two parts: Part I involves a personal interview of approximately one hour; Part II is a brief self-administered questionnaire.*

**Name of participant:**

**Demographics:**

1. Sex:        Male\_\_        Female \_\_        2. Nationality:

3. Post-secondary education:

	Institution	Degree or title	Year of graduation	Field of study
1				
2				
3				
4				

4. Most recent positions held related to higher education:

	Institution	Position	Year(s)
1			
2			
3			
4			
5			

**PART I**

5. The word “globalization” can mean many things. What does it mean to you? What does it mean to you with regard to higher education?
6. How do you interpret the statement, “the institution is accredited”?
7. How do you think the Central American Accreditation Council (CCA) has impacted a) the legislation and regulation of the university sector, and b) the regulation of accreditation of universities in your country?
8. What other roles should the CCA play in the region?
9. In your opinion, what are the three main priorities for the university sector in Central America?
10. In your opinion, what are the three main strengths of the university sector in Central America?
11. In your opinion, what are the three main weaknesses of the university sector in Central America?
12. In your opinion, which country in Central America has the best-developed university system? And what are the most important factors that contribute to its quality?
13. In the recently released *World Economic Forum Global Competitiveness Report 2007*, <http://www.weforum.org>, the competitiveness rating for Central America figures well below the regional and world averages. Is there anything that CCA can do to positively impact Central America’s competitiveness in the global economy, and if so, what?

**PART II - Self-administered survey**

*The questions below involve a series of ratings on a scale of 1 to 5, with ratings corresponding to the following equivalents:*

- 1 – very low or non-existent
- 2 – low
- 3 – average
- 4 – above average
- 5 – high

**A number of changes have occurred in university education over the past couple of decades. Based on *your own opinion* of the importance of these changes, please rate the issues presented in questions 14-17 in accordance with the scale presented above.**

14. The importance of the effects of the following changes on Central American higher education in the past couple of decades (1990-2007):

		<b>Rating</b>
1	More public universities	
2	More private universities	
3	More university degrees available	
4	Increased demand for university degrees in the job market	
5	Greater convergence and collaboration with other Latin American universities	
6	Greater convergence and collaboration with universities outside of Latin America	
7	More quality assurance mechanisms	

15. The value of the following university credentials for hiring decisions:

	<b>Type of degree</b>	<b>Rating</b>
1	U.S. private university	
2	Online university	
3	National public university (in Central America)	
4	Asian university	
5	U.S. Ivy league university	
6	National private university (in Central America)	
7	U.S. public university	
8	European university	
9	South American university	

16. The importance of an institution being accredited:

<b>Rating 1-5</b>	
-------------------	--

17. The importance of the following factors with regard to the recent growth in number of universities in Central America:

		<b>Rating</b>
1	Increased market demand for university degrees	
2	Greater business opportunity for private higher education providers	
3	Increased interest by foreign universities in Panama	
4	Increased public activity in higher education	
5	Ease of obtaining permission to operate a university in Panama	

18. Has the recent growth in number of universities in Central America been positive?  
If so, please list the primary three benefits associated with this growth.

19. Please list any disadvantages associated with the growth in number of universities in Central America.

**Globalización y el Sistema Universitario de Panamá**  
**Guía de Entrevistas – Actores regionales**

**Entrevista No.**

**Lugar:**

**Fecha:**

**NOTA:** *Esta entrevista consta de dos partes. La Parte I involucra una entrevista personal de aproximadamente media hora. La Parte II puede ser completada independientemente por escrito.*

**Nombre del participante:**

**Datos demográficos:**

1. Sexo:      Masculino\_\_ Feminino: \_\_      2. Nationalidad:

3. Educación post-secundaria:

	Institución	Grado	Año de graduación	Especialidad
1				
2				
3				
4				

4. Las cinco posiciones más recientes ocupadas relacionadas con la educación superior:

	Institución	Posición	Año(s)
1			
2			
3			
4			
5			



**PARTE I - Entrevista**

5. La palabra “globalización” significa muchas cosas. ¿Qué significa para usted?  
¿Qué significa con respecto a la educación superior?
6. ¿Cómo define usted la frase “la institución está acreditada”?
7. ¿Como piensa que el CCA ha impactado a) la legislación y regulación del sector universitario y b) la regulación de la acreditación el el aseguramiento de la calidad del sector universitario en su país?
8. ¿Qué otros papeles piensa usted que el CCA debería jugar en la región?
9. En su opinión, ¿cuáles deben ser las tres prioridades para el sector universitario actual (público y privado) en Centroamérica?
10. En su opinión, cuáles son las tres mayores fortalezas del sector universitario actual (público y privado) en Centroamérica?
11. En su opinión, cuáles son las tres mayores debilidades del sector universitario actual (público y privado) en Centroamérica?
12. ¿Que país en Centroamérica tiene el sistema universitario más viable? Y cuáles son los factores más importantes que contribuen a dicha viabilidad?
13. En el informe reciente del World Economic Forum sobre competitividad (el Global Competitiveness Report 2007, <http://www.weforum.org>), las cifras de competitividad para Centroamérica aparecen muy por debajo de los promedios regionales y mundiales.

¿Qué puede hacer el CCA para impactar de una manera positiva la competitividad de Centroamérica frente la economía global?

## PART II – Cuestionario

*Las preguntas abajo involucran una series de evaluaciones en una escala de 1 (bajo) a 5 (alto) con los puntos de la evaluación correspondiendo a las siguientes definiciones:*

- 1 – Muy bajo o non-existente
- 2 – Bajo
- 3 – Medio
- 4 – Medio alto
- 5 – Alto

*Favor responder a las siguientes preguntas usando como base su propia opinion de los asuntos presentados y la escala arriba indicada.*

14. Los efectos de los cambios en la educación superior en la region de Centroamérica (1990-2007):

		Importancia (1-5)
1	Más universidades públicas	
2	Más universidades privadas	
3	Más grados universitarios (títulos) disponibles	
4	Más demanda en el mercado por los grados universitarios	
5	Más convergencia y colaboración entre las universidades de América Latina	
6	Más convergencia y colaboración entre las universidades de América Latina y las extra-regionales (de Europa, Norteamérica, Asia, etc.)	
7	Más mecanismos para el aseguramiento de la calidad	
8	Otra, favor especificar:	

15. Valor de las siguientes credenciales universitarias en relación a la empleabilidad de profesionales:

	Grados otorgados por	Importancia (1-5)
1	Universidad nacional pública (en Centroamérica)	
2	Universidad nacional privada (en Centroamérica)	
3	Universidad estadounidense “Ivy League”	
4	Universidad privada estadounidense	
5	Universidad pública estadounidense	
6	Universidad en Europa	
7	Universidad en Asia	
8	Universidad en Sudamérica	
9	Universidad en línea	

16. En una escala de 1 (bajo) a 5 (alto), ¿cuán importante es la acreditación?

17. El crecimiento reciente del número de universidades en Centroamérica:

		<b>Importancia (1-5)</b>
1	Más demanda en el mercado para credenciales universitarias	
2	Más oportunidad para los proveedores de servicios de la educación superior	
3	Más interés por parte de las universidades extranjeras en establecerse en Centroamérica	
4	Más involucramiento público en la educación superior	
5	La facilidad de obtener permiso de operar una universidad	
6	Otra, favor especificar:	

18. En cuanto al crecimiento reciente de universidades en Centroamérica, favor listar lo que usted considera son los tres más importantes *beneficios* relacionados.

19. Favor listar cualquier *desventaja* que usted considera está relacionada al crecimiento reciente de universidades en Centroamérica.

**Appendix 6**  
**Interview Participant Informed Consent Forms (in English and Spanish)**

**Tulane University**  
**Consent to Participate in Research**

**Title:** The Effects of Globalization on the Panamanian University System 1990-2007

**Performance Sites:** Panama, Guatemala

**Investigators:** Nanette Svenson

**Sponsor:** Dr. April Brayfield

**Purpose:**

The purpose of the investigation related to this interview is to examine the effects of globalization on higher education as they relate to the development of the Panamanian university system in the years from 1990 to the present.

**Procedures:**

This investigation consists of a short personal interview along with a short self-administered survey. In total, it should take approximately one hour. All information collected will be kept strictly confidential and your name will not appear either in the study or in any presentation related to it.

**Potential Risks:**

The risks associated with participation are few; however, there is always the possibility of misinterpretation of information presented or unintentional breach of confidentiality, which will be minimized to the extent possible by granting access to the processing of data only to the researchers. Additionally, participants will be given any new information gained during the course of the study that might affect participants' willingness to be involved.

**Potential Benefits:**

Although the personal benefit associated with participation in this study is minimal, your participation will contribute to the effort to provide a more comprehensive picture of current university education, in Panama as well as in the region. The final study will also serve for education policy decision-making and as a model for other countries in the region that find themselves in similar situations.

**Voluntary Participation:**

Participation in research is voluntary. You may choose to participate or not. If you choose to participate but later change your mind, you may withdraw from the study at any time. Refusal to participate or withdrawal from the study will not result in penalty or any loss of benefits to which you are otherwise entitled.

Versión 11.07 página 1 de 3  
 Iniciales del participante \_\_\_\_\_  
 Aprobado \_\_\_\_\_  
 Firmado por \_\_\_\_\_

**Consent to Audio/Videotape:**

This study involves audio-taping your interview with the researcher. Neither your name nor any other identifying information will be associated with the audio tape or the transcript. Only the researcher(s) will be permitted to listen to the tapes.

Immediately following the interview, you will be given the opportunity to have the tape erased.

**Please initial one of each pair of options.**

- I consent to have my interview taped.  
 I do not consent to have my interview taped.

- I consent to have my taped interview transcribed into written form.  
 I do not consent to have my taped interview transcribed.

The tapes will be transcribed by the researcher and erased once the transcriptions are checked for accuracy. Transcripts of your interview may be reproduced in whole or in part for use in presentations or written products that result from this study. Neither your name nor any other identifying information (such as your voice or picture) will be used in presentations or in written products resulting from the study.

- I consent to the use of the written transcription in presentations and written products resulting from the study, provided that neither my name nor other identifying information will be associated with the transcript.  
 I do not consent to the use of my written transcription in presentations or written products resulting from the study.

The above permissions are in effect until June 30, 2008. On or before that date, the tapes will be destroyed.

**Confidentiality:**

As mentioned above, neither your name nor any other identifying information (such as your voice or picture) will be used in presentations, publications or in written products resulting from the study. Data collected will be reviewed only by the researchers involved in the study and research results will be kept confidential to the extent allowed by law.

**Costs/Payment:**

There is no remuneration, monetary or non-monetary, associated with participation in the study; neither is there any cost to the participant.

Versión 11.07 página 1 de 3  
 Iniciales del participante \_\_\_\_\_  
 Aprobado \_\_\_\_\_  
 Firmado por \_\_\_\_\_

**Study Outcome:**

Results of the study may be accessed through Dr. Etilvia Arjona, [arjonaetty@mac.com](mailto:arjonaetty@mac.com), or Nanette Svenson, [svenson@cableonda.net](mailto:svenson@cableonda.net).

**Questions:**

If you have questions about the research, you may call Dr. Etilvia Arjona or Nanette Svenson at 507.230-8398. If you have any questions about your rights as a research subject, please call the IRB Compliance Officer at (504) 988-3229.

I have read this consent form and volunteer to participate in this research.

\_\_\_\_\_  
Subject Date

\_\_\_\_\_  
Parent/Legally Authorized Representative (if applicable) Date

\_\_\_\_\_  
Person Obtaining Consent Date

**Tulane University**  
**Formulario Protocolario para Entrevistas**  
**Consentimiento para Participar**

**Título:**

Los Efectos de la Globalización en el Sistema Universitario Panameño: 1990-2007

**Lugares de trabajo:** Panama, Guatemala

**Investigadora:** Nanette Svenson

**Sponsor de la Universidad de Tulane:** Dr. April Brayfield

**Propósito:**

El estudio relacionado con esta entrevista busca investigar los efectos de la globalización de la educación superior en el desarrollo del sistema universitario panameño desde el año 1990 hasta el presente.

**Procedimiento:**

La entrevista tomará aproximadamente una hora. Consiste de una entrevista y un cuestionario auto-administrado. Toda la información recopilada durante la entrevista es confidencial y su nombre no aparecerá en el estudio ni en ninguna presentación relacionada.

**Riesgos Potenciales:**

Los riesgos asociados con su participación son pocos, sin embargo siempre existe la posibilidad de la misrepresentación de la información presentada o la violación accidental del pacto de confidencialidad. Estos serían minimizados al extento posible por limitar el acceso a los datos a solamente los investigadores relacionados con el estudio. Además, se presentará al participante cualquier información nueva obtenida en el transcurso de la investigación que pueda afectar su decision de participar.

**Beneficios Potenciales:**

Aunque el beneficio personal asociado con su participación es mínimo, su participación contribuirá al esfuerzo de proveer una mejor comprensión del panorama universitario actual, tanto nacional como regional y mundial; facilitará la toma de decisiones sobre política educativa; y servirá como modelo para estudios similares en otros países centroamericanos que se afrentan a situaciones similares.

**Participación Voluntaria:**

Su decisión de participar es voluntaria y usted tiene el derecho de poner fin a la entrevista en cualquier momento. La decisión de no participar no resultará en ningun perjuicio para usted.

Versión 11.07 página 1 de 3

Iniciales del participante \_\_\_\_\_

Aprobado \_\_\_\_\_

Firmado por \_\_\_\_\_

**Consentimiento para Audigrabación y Transcripción:**

La investigadora va a audigrabar esta entrevista aunque ni su nombre ni cualquier otra información que le pueda identificar serán asociados con la audigrabación o la transcripción. Solamente los investigadores tendrán acceso a la audigrabación. Después de la entrevista, usted tendrá la oportunidad de borrar la cinta si decide hacerlo.

**Favor poner sus iniciales en una de las siguientes opciones.**

Doy mi consentimiento para que se grabe la entrevista.

No doy mi consentimiento para que se grabe la entrevista.

Doy mi consentimiento para que la grabación de la entrevista se transcriba en forma escrita.

No doy mi consentimiento para que la grabación de la entrevista se transcriba en forma escrita.

Las cintas podrán ser transcritas y borradas una vez que se realicen las transcripciones y que se confirmen que proveen un fiel relato de la entrevista. Las transcripciones de la entrevista se podrán reproducir en su totalidad o parcialmente para su uso en presentaciones y/o documentos derivados de este estudio, aunque ni su nombre ni cualquier otra información que le pueda identificar serán utilizados en presentaciones y/o documentos derivados de este estudio.

Doy mi consentimiento para que las transcripciones escritas se utilicen en presentaciones y/o documentos derivados de estudio siempre y cuando ni mi nombre ni cualquier otra información que me pueda identificar estén asociados con la transcripción.

No doy mi consentimiento para que las transcripciones escritas se utilicen en presentaciones y/o documentos derivados de estudio siempre y cuando ni mi nombre ni cualquier otra información que me pueda identificar estén asociados con la transcripción.

Los permisos arriba indicados se mantendrán en efecto hasta el 30 de junio de 2008. En esta fecha, o antes de la fecha, la cintas serán destruidas.

**Confidencialidad:**

Como se mencionó arriba, ni su nombre ni cualquier otra información que le pueda identificar serán utilizados en presentaciones, publicaciones y/o documentos derivados de este estudio. Los datos recopilados serán revisados solamente por los investigadores asociados con el estudio y los resultados serán guardados con toda la permitida por la ley.



**Costo/Remuneración:**

No hay ninguna remuneración, monetaria o no monetaria, asociada con la participación. Tampoco hay costo que corresponde al participante.

**Resultados del Estudio:**

Se puede acceder los resultados del estudio a través de la Dra. Etilivia Arjona, [arjonaetty@mac.com](mailto:arjonaetty@mac.com), o Nanette Svenson, [svenson@cableonda.net](mailto:svenson@cableonda.net).

**Preguntas:**

Cualquier pregunta que tenga relacionada con la investigación, puede llamar a la Dra. Etilivia Arjona o a Nanette Svenson at 507.230-8398. Cualquier pregunta que tenga relacionada con sus derechos como participante, puede llamar a la Oficial IRB de la Universidad de Tulane a (504) 988-3229.

He leído el contenido de este formulario y estoy dispuesto(a) participar en la entrevista.

---

Participante

---

Fecha

---

Persona que obtiene consentimiento

---

Fecha

**Appendix 7**  
**Republic of Panama Ministry of Education List of Recognized Universities,**  
**November 2007**

**REPÚBLICA DE PANAMÁ**  
**MINISTERIO DE EDUCACIÓN**  
**DIRECCIÓN NACIONAL DE EDUCACIÓN SUPERIOR**

**LISTADO DE UNIVERSIDADES RECONOCIDAS**

<b>Nombre de la Universidad</b>	<b>No. de teléfono</b>	<b>No. de fax</b>	<b>Correo Electrónico</b>
Dr. GUSTAVO GARCIA DE PAREDES Rector UNIVERSIDAD DE PANAMÁ	263-6133 223-0654 264-1982	269-2820 264-3733	<a href="mailto:rectoria@ancon.up.ac.pa">rectoria@ancon.up.ac.pa</a> <a href="mailto:viodegarcia@yahoo.com">viodegarcia@yahoo.com</a>
Ing. SÁLVADOR RODRIGUEZ Rector U. TECNOLÓGICA DE PANAMA	360-3179 360-3178 360-3000	360-3181	<a href="mailto:arodrig@utp.ac.pa">arodrig@utp.ac.pa</a> <a href="mailto:rectoria@utp.ac.pa">rectoria@utp.ac.pa</a>
Mgter. VIRGILIO OLMOS APARICIO Rector UNACHI	775-1114 775-7243	774-2679 774-5329	<a href="mailto:rectoria@unachi.ac.pa">rectoria@unachi.ac.pa</a>
Dr. LAURENTIÑO GUDIÑO Rector UNIEDPA	227-2900 227-2902	227-5565	<a href="mailto:uniedpa@cwp.net.pa">uniedpa@cwp.net.pa</a>
Mgter ANTONIO FLETCHER Rector U. INTERAMERICANA DE PANAMA	263-7787 ext. 1901	263-3688 264-2544	<a href="mailto:jmartinez@uip.edu.pa">jmartinez@uip.edu.pa</a> <a href="mailto:kronzalez@uip.edu.pa">kronzalez@uip.edu.pa</a>
Dr. PABLO MICHELSEN NIÑO Rector U. DEL ISTMO	227-8822 al 27	227-8831	<a href="mailto:w.w.wudi@edo">w.w.wudi@edo</a>
Dra. NOEMÍ L. CASTILLO Rectora ULACIT	224-5377	224-0333	<a href="mailto:ncastillo@ulacit.ac.pa">ncastillo@ulacit.ac.pa</a> <a href="mailto:narosemena@ulacit.ac.pa">narosemena@ulacit.ac.pa</a>
Ing. JOSÉ BARRIOS Rector U. LATINA DE PANAMA	230-6186 al 89	230-8604	<a href="mailto:zsmith@ulat.ac.pa">zsmith@ulat.ac.pa</a> <a href="mailto:vcastre@ulat.ac.pa">vcastre@ulat.ac.pa</a> <a href="mailto:cvargas@ulat.ac.pa">cvargas@ulat.ac.pa</a>

Lady Dra. LUCRECIA HERRERA C. Rectora <b>UNIVERSIDAD DE LA PAZ</b>	232-7650 232-7647	232-7647	<a href="mailto:lscrehc@avaxai.com">lscrehc@avaxai.com</a>
Dr. CARLOS ARELLANO LENNOX Rector <b>COLUMBUS UNIVERSITY</b>	263-3892 263-3888 ext. 108	263-3896	<a href="mailto:columbus@columbus.edu">columbus@columbus.edu</a> <a href="mailto:clennox@presidencia.gob.pa">clennox@presidencia.gob.pa</a>
Mons. Dr. PABLO VARELA SERVER Rector <b>USMA</b>	230-8200 /8300	230-3433 230-3593	<a href="mailto:pvarela@usma.ac.pa">pvarela@usma.ac.pa</a> <a href="mailto:nsilces@usma.ac.pa">nsilces@usma.ac.pa</a>
Dr. CARLOS LANGONI Rector <b>FLORIDA STATE UNIVERSITY</b>	314-0367 314-0366 ext. 246	314-0366	<a href="mailto:clangoni@mailier.fsu.edu">clangoni@mailier.fsu.edu</a> <a href="mailto:scionez@mailier.fsu.edu">scionez@mailier.fsu.edu</a>
Dra. BERTA T. DE AROSEMENA Rectora <b>UDELAS</b>	315-1024 315-0264	315-1068	<a href="mailto:btarect@psi.net.pa">btarect@psi.net.pa</a>
Mgter. ROSA E SÁNCHEZ Rectora <b>U. ABIERTA Y A DISTANCIA DE PANAMA</b>	227-7242 227-6886	227-7242	<a href="mailto:generalunadp@cwpanama.net">generalunadp@cwpanama.net</a>
Ing. ERLINO GARISTO Rector <b>ULACEX</b>	213-1792 223-5777	213-1792	<a href="mailto:ulacex@cwpanama.net">ulacex@cwpanama.net</a>

Dra. Xiomara de Arrocha Rectora <b>UNIVERSIDAD ISAE</b>	278-1432 278-1433 278-1434	278-1434	<a href="mailto:isaeuniv@cwpanama.net">isaeuniv@cwpanama.net</a>
Prof. CARLOS FAJARDO Rector <b>UNIVERSIDAD DE CARTAGO - CHIRIQUI</b>	265-2972 777-4104	265-2972	<a href="mailto:mercadeo@ucapanama.com">mercadeo@ucapanama.com</a>
Dra. ROSARIO COYA Rectora <b>UNIVERSIDAD PANAMERICANA</b>	265-0641 265-2996	265-0638	<a href="mailto:uman@cableonda.net">uman@cableonda.net</a>
Lic.. VERÓNICA DE BARRIOS Rectora <b>UNIVERSIDAD AMERICANA</b>	213-0976 213-1214	213-1967	<a href="mailto:info@uam.ac.pa">info@uam.ac.pa</a>

Ing. PABLO TUNÓN VEJAS Rector <b>UNIVERSIDAD INTERNACIONAL</b>	673-7997 269-1515	269-1515	<a href="mailto:informacion@international-umi.us">informacion@international-umi.us</a>
Mgtra. PRUDENCIA RAQUEL DE DELGADO Rectora <b>UNIVERSIDAD CRISTIANA DE PANAMÁ</b>	251-6413 251-3959 251-5532	251-6413	<a href="http://w.w.ucp.ac.pa">w.w.ucp.ac.pa</a>
Lic. OSCAR LEÓN OLIVA Rector <b>UNIVERSIDAD DE LOUISVILLE</b>	264-0777 264-0554	264-7962	<a href="mailto:reclutar@louisville.com.pa">reclutar@louisville.com.pa</a>
Prof. AMERICO QUINTERO Rector <b>UNIV. ESPECDA. DEL CONTADOR PÚBLICO AUTORIZADO</b>	236-5601 236-5012	236-7194	<a href="mailto:unefcpa.archivos.pa.inter.net">unefcpa.archivos.pa.inter.net</a>
Dr. JULIO DELGADO BOADA Decano <b>UNIVERSIDAD SAN MARTÍN DE PANAMÁ</b>	317-1075 317-1076 317-0373	317-1076	<a href="mailto:teeville@sanmartin.edu.co">teeville@sanmartin.edu.co</a>
Prof. RICAURTE MARTÍNEZ Rector <b>UNIVERSIDAD DEL ARTE GANEXA</b>	264-3961 223-9140	264-6949	<a href="mailto:info@ganexa.com">info@ganexa.com</a>
Dr. JOSÉ NIETO ROJAS Rector <b>UNIV. METROPOLITANA DE CIENCIA Y TECNOLOGÍA</b>	264-8154 263-2471 264-9908	263-2371	<a href="mailto:inaparc@yahoo.com">inaparc@yahoo.com</a>
Mgtr. DIDIMO PIMENTEL Rector <b>UNIV. INTERNACIONAL DE COMERCIO Y EDUCACIÓN</b>	227-6644 264-0294	266-1642 264-0294	<a href="mailto:Uica.info@hotmail.com">Uica.info@hotmail.com</a>
Lic. NIXA GNAEGI DE RÍOS Rectora <b>UNIVERSIDAD TECNOLÓGICA OTEIMA - CHIRIQUÍ</b>	775-1283 775-1285 775-9067	775-1283	<a href="mailto:oteima@oteima.ac.pa">oteima@oteima.ac.pa</a>
Dr. <b>FREDERICK K. GORNELL VALENCIA</b> Rector Universidad Oxford Internacional	265-6422	265-7446	
Dr. JAIME BONILLA Decano <b>INSTITUTO TECNOLÓGICO DE ESTUDIOS SUPERIORES DE MONTERREY</b>	236-5533	236-6128	<a href="http://w.w.iteam.mx">w.w.iteam.mx</a>
Dr. ELADIO PEÑALOZA <b>UNIVERSIDAD MARÍTIMA INTERNACIONAL DE PANAMÁ</b>	315-1372 315-0360	315-1380	<a href="mailto:info@umipi.ac.pa">info@umipi.ac.pa</a>
Dr. CHENG-HSIANG LIANG (Representante Legal) <b>UNIVERSIDAD PALADIUM</b>			

Dr. JUVENAL GONZÁLEZ UNIVERSIDAD METROPOLITANA DE PANAMA (UMET)	256-6842		<a href="mailto:umep_panama@yahoo.com">umep_panama@yahoo.com</a>
Lic. MARÍA C. LÓPEZ UNIVERSIDAD RAFAEL NUÑEZ	223-0554 214/8789		
Lic. MIGUEL QUINTERO UNIVERSIDAD HOSANNA INTERNACIONAL	264-3927		
Lic. JAVIER VALVERDE UNIVERSIDAD ALTA DIRECCIÓN	263-0299		

**Appendix 8**  
**University of Panama List of Recognized Universities, November 2007**

**Recognized universities:**

1. Universidad de Panamá (UP)
2. Universidad Tecnológica de Panamá (UTP)
3. Universidad Autónoma de Chiriquí (UNACHI)
4. Universidad Especializada de las Américas (UDELAS)
5. Universidad Marítima Internacional de Panamá (UMIP)
6. UNIEDPA
7. Universidad Interamericana de Panamá
8. Universidad del Ismo
9. ULACIT
10. Universidad Latina de Panamá
11. Universidad de la Paz
12. Columbus University
13. Universidad Católica Santa María la Antigua (USMA)
14. Florida State University
15. Universidad Abierta y a Distancia de Panamá
16. ULACEX
17. Universidad ISAE
18. Universidad de Cartago – Chiriquí
19. Universidad Panamericana
20. Universidad Americana
21. Universidad Internacional
22. Universidad Cristiana de Panamá
23. Universidad de Louisville
24. Universidad Especializada del Contador Público Autorizado
25. Universidad San Martín de Panamá
26. Universidad del Arte Ganexa
27. Universidad Metropolitana de Ciencia y Tecnología
28. Universidad Internacional de Comercio y Educación
29. Universidad Tecnológica Oteima – Chiriquí
30. Universidad Oxford International
31. Universidad Tecnológico de Estudios Superiores de Monterrey
32. Universidad Paladium
33. Universidad Metropolitana de Panamá (UMET)
34. Universidad Hosanna International
35. Universidad Alta Dirección
36. Universidad de Técnicas de la Comunicación (UTC)
37. Delphi University (not functioning)
38. Universidad de Santander (not functioning)

**Institutions pending approval:**

1. Escuela de Arquitectura y Diseño de América Latina y el Caribe Isthmus
2. Universidad de Los Llanos del Pacífico
3. Universidad Particular en Ciencias de Mercado (UCM)
4. Universidad Internacional de América Latina
5. Universidad Ngabe Buklé
6. Universidad Nuestra Señora del Carmen
7. Universidad del Caribe
8. Universidad Virtual - Centro de Estudios Regionales de Panamá (CERPA)

Source: University of Panama, Office of the General Secretary, November 2007



**Appendix 9**  
**Ministry of Education Requirements for the Authorization**  
**of Operation of Higher Education Institutions**  
**(in Spanish and English)**

**(Spanish)**



**DIRECCIÓN NACIONAL DE**  
**COORDINACIÓN DE EDUCACIÓN SUPERIOR**

**REQUISITOS PARA LA AUTORIZACIÓN**  
**DE FUNCIONAMIENTO DE INSTITUTOS**  
**SUPERIORES**

**Y**

**GUÍA PARA ELABORAR**  
**REGLAMENTOS INTERNOS**

**REQUISITOS PARA LA AUTORIZACIÓN DE  
FUNCIONAMIENTO DE CENTROS E INSTITUTOS  
SUPERIORES**

1. Nota con la ubicación correcta del Instituto, Nombre del Rector, teléfonos, fax, correos electrónicos, apartado postal.
2. Poder del Representante Legal de la universidad, otorgado al abogado que hace la solicitud.
3. Dos (2) copias de Memorial Petitorio, dirigido al Sr. Ministro de Educación, solicitando la autorización de funcionamiento; en Papel Legal, habilitado con 4 timbres de B/. 1.00 debidamente adheridos.
4. Personería Jurídica y Copia de la Escritura, si se trata de Persona Jurídica o Registro Comercial Tipo "A" ó "B" expedido por el Ministerio de Comercio e Industrias, si se trata de Persona Natural.
5. Carta de Solvencia Económica expedida por un Banco de la localidad a nombre de la sociedad o persona natural que hace la solicitud.
6. Reglamento Interno engargolado para su evaluación inicial y luego de aprobado debe ser empastado. Ver la guía para elaborar el Reglamento, que se incluye. Dos (2) juegos.

7. **Planta Docente**, acompañada de los siguientes documentos: Hoja de Vida Resumida y justificada con la Copia de los títulos, Copia de la Cedula o copia del pasaporte, si es extranjero, Certificado de Salud Física y Mental.

8. **Contrato de Propiedad o Arrendamiento** refrendado por el Ministerio de Vivienda o debidamente Notariado.

9. Dos (2) copias impresas de los Diseños Curriculares y (en formato digital (Word /CD o diskette), cuando la carrera esté aprobada.

10. Nota dirigida al (la) Director(a) Nacional de Educación Superior en donde solicita el trámite y detalla los documentos de los requisitos enunciados

**EL REGLAMENTO INTERNO**  
Debe estar estructurado de la siguiente manera:

**TÍTULO I** Del nombre, fines del instituto o centro superior y estructura organizativa.

Capítulo I:

- A- Del Nombre
- B- De los Fines
- C- De la Estructura Organizativa

**TÍTULO II** Del personal administrativo

Capítulo I:

- A- Funciones del Director
  - a- Deberes
  - b- Derechos
  - c- Prohibiciones

Capítulo II: Del Personal Administrativo, Secretaria y Contabilidad.

- A- Requisitos para desempeñar el cargo
- B- Deberes
- C- Derechos
- D- Prohibiciones

Capítulo III: Del personal de aseo y mantenimiento

- A- Funciones
- B- Deberes
- C- Derechos

Capítulo IV: Del personal de Inspección

- A- Deberes
- B- Derechos

**TÍTULO III** Del Personal Docente

Capítulo I: De los profesores

- A- Deberes
- B- Prohibiciones
- C- Derechos

**TÍTULO IV:** De los estudiantes

Capítulo I: Los Estudiantes

- A- Requisitos de ingreso al Instituto o Universidad
- B- Deberes u Obligaciones
- C- Derechos.

**TÍTULO V:** De las normas disciplinarias, su aplicación y autoridades correspondientes.

Capítulo I: De las faltas disciplinarias.

A- Describir los actos u omisiones que las constituyen.

Capítulo II: De las Sanciones: (De las que se aplican en los casos de faltas, reprensión verbal, escrita, suspensión, expulsión, etc. Incluir los recursos que admiten Reconsideración y/o Apelación, término para sustentar y formalidades.

Capítulo III: De las Autoridades y Organismos competentes (quienes conocen de las faltas).

Capítulo IV: Del procedimiento.

**TÍTULO VI:** Del uso y administración del área de Estudio y otras.

Capítulo I: Áreas

- A- De la Biblioteca
- B- De los Laboratorios
- C- Otros.

**TÍTULO VII:** De las Asociaciones adscritas al la Institución y Otras Organizaciones.

Capítulo I: Asociaciones.

- A- Estudiantes
  - Deberes
  - Derechos
- B- Clubes, Comisiones y Asociaciones de Graduandos, etc.
  - Deberes
  - Derechos

**TÍTULO VIII:** Disposiciones Generales

Capítulo I: Actividades

- A- Económicas
- B- Publicaciones de Periódicos o Boletines Informativos
- C- Actuación ante situaciones no previstas por el reglamento.

D- Revisión y forma de modificación del Reglamento  
E- Otras.

TÍTULO IX. Aspectos Económicos.

Capítulo I. Detalles

A- Mensualidades y Fechas de Pago

B- Tratamiento sobre retrasos.

C- Forma de pago de los morosos.

D- Forma de devolución en caso de retiro.

E- Otros.

NOTA: La numeración de los Artículos de los Reglamentos Internos debe hacerse de manera corrida. Puede estar sujeto a variaciones y ajustarse a las características del Instituto o Centro Superior.

MARCO LEGAL

Decreto 50 del 23 de marzo de 1999.

(Pueden solicitar este Decreto en la Dirección Nacional de Asesoría Legal).

Tel. 515-7306

Correo Electrónico:

esuperior @ meduca.gob.pa.

"Ningún Centro de Enseñanza Superior, podrá iniciar actividades académicas, sin la debida autorización de funcionamiento del MEDUCA"

**REQUISITOS PARA SOLICITARLE AL  
MINISTERIO DE EDUCACIÓN  
AUTORIZACIÓN PARA LA CREACIÓN Y  
FUNCIONAMIENTO DE  
UNIVERSIDADES**

(Ley 30 del 20 de julio de 2006, Gaceta Oficial 25, 595)

- 1- Solicitud formal, por medio de memorial petitorio, que incluya el proyecto de pacto social, mediante el cual se constituye la persona jurídica responsable de brindar el servicio que prestará la respectiva universidad.
- 2- Proyecto institucional, a corto y mediano plazo, con la visión, misión valores institucionales y los objetivos estratégicos.
- 3- Proyecto de estatuto y/o reglamento universitario
- 4- Oferta académica, con un mínimo de cuatro (4) carreras, en diferentes áreas del conocimiento, con preferencia a nivel de pregrado y grado, posteriormente los programas de postgrados, maestrías y doctorados, que respondan a las necesidades prioritarias del desarrollo económico y social del país.
- 5- Planes de estudios y programas académicos con todos los componentes curriculares básicos, debidamente aprobados por la Comisión Técnica de Fiscalización.
- 6- Perfiles de formación de sus docentes y de sus autoridades académicas.
- 7- Evidencia comprobable de infraestructura física y tecnológica apropiada para el cumplimiento de su misión y objetivos, así como carta de intención de

arrendamiento o certificación de la propiedad adecuada para el logro de sus objetivos institucionales.

- 8- El presupuesto y el estudio económico que incluya las fuentes de funcionamiento, proyectados a cinco años, que aseguren su adecuado funcionamiento y sostenibilidad.
- 9- Nota remitida dirigida a la Directora Nacional de Coordinación de Educación Superior, con detalle de la entrega de documentos.

Aclaramos que la Ley 30 del 20 de julio de 2006, está en proceso de reglamentación

Teléfono: 515-7300 ext 3992  
515-7306 directo.

**Ministry of Education Requirements for the Authorization  
of Operation of Higher Education Institutions  
(English translation)**

**Ministry of Education, Republic of Panama (MEDUCA)  
National Department of Higher Education Coordination**

**Requirements for the Authorization of Operation of  
Higher Education Centers and Institutions  
and  
Guide for Producing Internal Regulations**

**Requirements for the Authorization of Operation of Higher Education Centers and  
Institutions**

1. Note with the correct location of the institute, name of the rector, telephone numbers, fax, electronic mail addresses and mailboxes.
2. Power of Attorney for the Legal Representative of the university authorizing the lawyer making the petition.
3. Two (2) copies of the Petition Document, directed to the Minister of Education, soliciting authorization of operation, on legal paper with four official \$1 stamps adhered.
4. Copy of the legal status and deed or title, if the institution is a legal entity, or the Commercial Registry, type "A" or "B" as processed by the Ministry of Commerce and Industry, if the institution is a corporate entity.
5. Letter of solvency processed by a local bank in the name of the entity or person making the petition.
6. Internal regulations submitted for approval (see Guide for Producing Internal Regulations), two (2) sets.
7. List of teaching staff, accompanied by the following documents for each: Curriculum Vitae with copies of degrees; copy of legal identification or passport, if foreigner; Certificate of Physical and Mental Health.
8. Property or rental contract from the Ministry of Housing, duly notarized.
9. Two (2) printed copies of the curriculum design and the same in digital format (Word document, CD, diskette), when the program is approved.
10. Letter directed to the National Director of Higher Education soliciting processing and listing the indicated documents.

## **Internal Regulation**

### **Petitions must be structured in the following manner:**

- I. Name, purpose of institute or center of higher education, organizational structure
  - a. Chapter I:
    - i. Name
    - ii. Purpose
    - iii. Organizational Structure
- II. Administrative Personnel
  - a. Chapter I: Functions of the Director
    - i. Responsibilities
    - ii. Rights
    - iii. Restrictions
  - b. Chapter II: Administrative Personnel, Secretarial and Accounting
    - i. Prerequisites for the job
    - ii. Responsibilities
    - iii. Rights
    - iv. Restrictions
  - c. Chapter III: Maintenance Personnel
    - i. Functions
    - ii. Responsibilities
    - iii. Rights
  - d. Inspection Personnel
    - i. Responsibilities
    - ii. Rights
- III. Teaching Staff
  - a. Chapter I: Professors
    - i. Responsibilities
    - ii. Restrictions
    - iii. Rights
- IV. Students
  - a. Chapter I: Students
    - i. Entrance requirements for the institute or university
    - ii. Responsibilities or Obligations
    - iii. Rights
- V. Disciplinary Norms, application and corresponding authorities
  - a. Chapter I: Disciplinary problems
    - i. Description of acts or omissions
  - b. Chapter II: Sanctions
    - i. Description of application to disciplinary problems, written and verbal repression, suspension, expulsion, etc. Include resources available for reconsideration and/or appeal, terms for sustaining and formalities
  - c. Chapter III: Authorities and Departments (corresponding bodies)
  - d. Chapter IV: Procedures
- VI. Use and administration of the study areas
  - a. Areas
    - i. Library
    - ii. Laboratories
    - iii. Other
- VII. Associations affiliated with the Institution and Other Organizations
  - a. Associations
    - i. Students
      1. Responsibilities
      2. Rights

- b. Clubs, Commissions and Graduate Associations, etc.
  - i. Responsibilities
  - ii. Rights

VIII. General

- a. Chapter I: Activities
  - i. Economics
  - ii. Publications of Newspapers or Bulletins
  - iii. Management of situations not foreseen in the regulations
  - iv. Revision of the regulations
  - v. Other

IX. Economic Aspects

- a. Chapter I: Details
  - i. Monthly payments and dates of payment
  - ii. Management of delayed payments
  - iii. Management of late payments
  - iv. Reimbursements
  - v. Other

NOTE: The numbering of the Articles of Internal Regulations must be done in the prescribed manner, though they may be subject to variations and adjusted to the characteristics of the Institute or Higher Learning Center.

**Requirements for Petitioning the Ministry of Education for Authorization to Create and Operate Universities (Law 30 of July 20, 2006, Official Gazette 25595)**

1. Formal petition that includes the articles of incorporation, through which the legal entity responsible for the university services is constituted.
2. Institutional plan, short and medium term, with the vision, mission, institutional values, objectives and strategies.
3. Proposed statutes and/or university regulations.
4. Academic offer, with a minimum of four subjects in different areas of knowledge, with a preference for undergraduate, and then post graduate, master's and doctoral levels, that respond to the prioritized needs of the economic and social development of the country.
5. Plans for studies and academic programs, with all the basic curricular components duly approved by the Technical Commission.
6. Profiles of professors' education and the corresponding academic authorities.
7. Comparable evidence of physical and technological infrastructure appropriate for complying with the mission and objectives, as well as letter of intent of rental or certification of property purchase for achievement of institutional objectives.
8. Budget and economic study that includes sources of financing, projected for five years, to assure adequate functioning and sustainability.
9. Note directed to the National Director of Higher Education Coordination, with a detail of the submitted documents.

**Appendix 10**  
**The Bologna Process – Key Actors and Annotated Chronology**

**Key Actors**

<b>Organization</b>	<b>Role</b>
<b>Council of Europe:</b> <a href="http://www.coe.int">www.coe.int</a>	The political group that promotes awareness and development of Europe's cultural identity and diversity.
<b>EAIE (European Association for International Education):</b> <a href="http://www.eaie.org">www.eaie.org</a>	A non-profit organization whose mission is to promote the internationalization of European higher education, and to meet the needs of international higher education professionals both in Europe and the rest of the world.
<b>ENIC/NARIC Networks:</b> <a href="http://www.enic-naric.net">www.enic-naric.net</a>	The network system that provides information on the recognition of foreign diplomas, degrees and other qualifications, national education systems and opportunities for studying abroad for the EU member states, the EEA countries and the associated countries of Central and Eastern Europe and Cyprus.
<b>ENQA (European Network for Quality Assurance):</b> <a href="http://www.enqa.net">www.enqa.net</a>	A European network that disseminates information on higher education quality assessment and assurance.
<b>ESIB (National Unions of Students in Europe):</b> <a href="http://www.esib.org">www.esib.org</a>	The umbrella organization of 50 national student union organizations from 37 European countries.
<b>EUA (European University Association):</b> <a href="http://www.eua.be">www.eua.be</a>	The main organization representing European universities and their national rectors' conferences whose mission is to promote a coherent system of European higher education and research and the strengthening of the role of the institutions in the creation of the European Higher Education Area.
<b>EURASHE (European Association of Institutions in Higher Education):</b> <a href="http://www.eurashe.be">www.eurashe.be</a>	The association that reflects the interests of European colleges and poly-technical institutes and organizes and participates in relevant conferences, including those specifically related to the Bologna process.
<b>The Joint Quality Initiative:</b> <a href="http://www.jointquality.org/">www.jointquality.org/</a>	An informal network for quality assurance and accreditation of Bachelor's and Master's programs in Europe, it stems from the Bologna Declaration of 1999 signed by the European Ministers of Education.



<b>UNESCO-CEPES (Centre Européen pour l'Enseignement Supérieur - The European Centre for Higher Education):</b> <a href="http://www.cepes.ro/">www.cepes.ro/</a>	A decentralized office of the UNESCO Secretariat established in September 1972 to promote cooperation in higher education among member states of the European region.
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### Annotated Chronology

Date	Event/Accord	Purpose/Achievement
1988	The Magna Charta Universitatum	Signed by the Rectors of European Universities in Bologna, Italy, this agreement outlines the founding principles of what will later become known as the Bologna Process.
Apr 1997	Lisbon Convention	Emphasizes mutual recognition of studies, certificates, diplomas and degrees to promote academic mobility among European countries.
May 1998	The Sorbonne Declaration	Calls for the “harmonization of the architecture of the European Higher Education System” and is signed by education ministers from France, Germany, Italy and the United Kingdom.
Jun 1999	The Bologna Declaration	Signed by 29 countries, this agreement pledges to restructure national higher-education systems in an effort to create a coherent, compatible and competitive European Higher Education Area by the year 2010.
Mar 2001	Salamanca Convention	Over 300 higher-education representatives gather in Salamanca to assess the role of higher-education institutions in the Bologna Process in preparation for the Prague Summit of education ministers.
Mar 2001	Göteborg Student Convention	In preparation for the Prague summit, representatives of the National Unions of Students in Europe (ESIB) formally adopt their position on the Bologna Declaration.
May 2001	Prague Summit	This summit adds three more countries (Croatia, Cyprus and Turkey) to the Bologna Declaration, reviews progress to date, and sets directions and priorities for

		the upcoming years.
<b>May 2003</b>	Graz Convention	The European University Association (EUA) council adopts the Graz Declaration, which emphasizes the central role universities must play in implementing the Bologna reforms.
<b>Sep 2003</b>	Berlin Summit	Reviews progress of the Bologna Process and set directions and priorities for the next stages of the European Higher Education Area; the Berlin Communiqué of Ministers is also signed.
<b>May 2005</b>	Bergen Summit	Five more countries (Azerbaijan, Armenia, Georgia, Moldova, Ukraine) sign onto the Bologna Process bringing the total of signatories to 45. The Bergen Communiqué of Ministers, which emphasizes the need for further progress in international cooperation for quality assurance, is signed.
<b>May 2007</b>	London Summit	The Fifth Bologna Ministerial Conference produces the London Communiqué and the <i>Bologna Process Stocktaking, London 2007</i> document, which discusses the variance among countries regarding progress toward objectives and cites mobility, data collection and employability issues as particular hurdles.
<b>Apr 2009</b>	Leuven Summit	The next meeting will be hosted by the Benelux countries and is set for April 28-29, 2009.

Source: World Education Services 2007, <http://www.wes.org/ewenr/bolognaprocess.htm>.

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