

3.4 Land Use

The largest use of lands in San Miguelito is low-intensity residential use, with exception of the Corregimiento of Jose Domingo Espinar whose land is mostly covered by grass and stubbles, being the corregimiento of greater surface and lower density of population. This corregimiento is the only one that has areas used for farming purposes, although it is not considered rural area. The Corregimiento of Victoriano Lorenzo has the largest percentage of urban idle lands, commercial, services and industrial areas. About 90% of the Corregimiento of Mateo Iturralde is used for residences. It is worth mentioning that the Corregimiento of Belisario Porras has remainders of secondary forests. The detail is shown in the following Table:

Table 3-3. Land Uses in the District of San Miguelito, by Corregimiento: 2000

Land Uses	Total of the District	Amelia D. de Icaza	Belisario Porras	Juan D. Arosemena	Mateo Iturralde	Victoriano Lorenzo
Total.....	100.0	100.0	100.0	100.0	100.0	100.0
Farming.....	4	0.0	0.0	0.9	0.0	0.0
Recreation Areas.....	2.2	0.0	0.4	4.3	0.5	0.6
Urban idle lands.....	2.3	1.2	0.0	3.7	0.0	12.1
Secondary forests.....	3.1	0.0	8.1	0.0	0.0	0.0
Commercial and services.....	1.7	4.9	0.9	0.6	8.7	12.4
Industrial.....	1.5	0.8	2.6	0.0	0.0	11.3
Institutional.....	1.4	0.9	1.7	0.8	0.0	5.9
Stubbles and grass.....	40.0	14.4	37.4	51.1	0.0	0.0
Low-density Residential	47.3	77.8	48.9	38.5	90.7	57.8
High-density Residential.....	0.1	0.0	0.0	0.0	0.1	0.0

Source: Eco Ambiente, S.A.. "Diagnóstico Ambiental General del Distrito de San Miguelito" (General Environmental Diagnostic of the District of San Miguelito), 2000.

3.5 Main Economic Activities

Retail Trade represents 51.7% of the main activities taken place in the district, followed by Services and Restaurants, in order of importance.

In comparison with the number of establishments in the province of Panama, totaling 21,023, the activity of the district represents only 8.7%, even though it lodges nearly 21.2% of the province's population. That is, little economic activity is generated in comparison with actual necessities. This situation explains the fact that a great number of the population works outside the district, which, as shown above, has a high proportion of its land devoted to housing.

Table 3-4. Total Establishments in the District of San Miguelito, by Sector of Economic Activity: 1999

Activities	Number	Proportion
Total.....	<u>2,092</u>	<u>100.00</u>
Manufacturing.....	165	7.90
Construction.....	15	0.72
Electricity, gas and water.....	2	0.07
Wholesale trade.....	57	2.72
Retail Trade, Repair of personal effects and domestic appliances.....	1,071	51.20
Hotels and restaurants.....	252	12.05
Transport, storage and communications.....	41	1.96
Financial Establishments.....	25	1.20
Real estate, business, and renting activities.....	51	2.44
Education.....	49	2.34
Health social services activities.....	56	2.68
Other services activities.....	308	14.72

Source: Office of the Comptroller General. Panama en Cifras. 1997-2001

In terms of jobs generated and remunerations paid, Wholesale and Retail Trade contribute a high proportion of the total, situation in agreement with the economic structure of the rest of the country.

Among the representative activities of the retail trade are the grocery stores, supermarkets, sales stands, street vendors, peddlers, consumers cooperatives, repair and installation of personal effects or domestic appliances, repair of motor vehicle and bicycles, in addition to retail gas stations.

The component of hotels and restaurants mainly consists of temporary lodging places and restaurant services.

The industrial area is limited to the elaboration of dairy product, mining, bakeries, spirits, clothing, footwear, wood and leather products, minerals, ceramics, metals, ironworks and chemical products.

Table 3-5. Main Economic Activities in the District of San Miguelito, by Number of Companies, Employment Generated and Remunerations: 1999

Activity	Number of companies	Use and wages		Total revenue (US\$)
		Personnel Employed	Remunerations Paid (US\$)	
Total of the District.....	2,092	11,057	5,407,292	790,356,664
Manufacturing.....	165	2,755	136,4097	131,379,753
Electricity, gas and water.....	2	---	---	---
Construction.....	15	310	126,355	9,489,565
Wholesale and Retail Trade.....	1,128	4,009	1,785,575	485,976,808
Hotels and restaurants.....	252	934	268,759	19,594,796
Transport, storage and communications....	41	656	404,983	30,985,879
Financial Establishments.....	25	122	125,371	4,398,493
Real estate, business, and renting activities	51	466	291,556	14,967,452
Education.....	49	664	404,896	11,041,679
Health social services activities.....	56	422	239,471	12,616,647
Other services activities.....	308	549	201,560	9,579,397

Note: In case that there are two or fewer companies, the personnel employed, remunerations paid, and total revenues, cannot be published; therefore, totals do not match.

Source: Office of the Comptroller General. Panama en Cifras. 1997-2001

3.6 Municipal Revenue and Expenditures

According to the Ministry of Economy and Finance, the district of San Miguelito is one of the few district that are not subsidized by the Central Government; which means that it generates enough income to cover its expenses.

However, it is necessary to make clear that the fiscal policy of Panama is centralized. This means that most of the revenue generated by the different activities economic, goes to the Central Government and not to the municipalities, even though it has been generated within

the latter. Similarly, the large infrastructure works such as streets, sewage systems, potable water supply, schools and hospitals, are included in the general budget of the State and, therefore, expenditures are not made by the municipalities.

3.6.1 Municipal Revenue

Law 106 of October 8, 1973, amended by Law 52 of 1984, establishes that the municipalities derive their income from the following:

- The rents, products, interest or coupons of the goods, titles, credits and other municipal fees
- The fines imposed by the municipal authorities
- The money yield from the municipal services and companies
- The product of its common lands or areas, as well as, of its own properties.
- The taxes on the use of its goods or services
- The rights on public shows
- The taxes on the sale of spirits or alcoholic beverages
- The rights on the extraction of sand, stone from quarry, tuff, clay, coral, gravel and limestone stone.
- The rights on wood extraction, tapping and cutting of forests.
- The tax on animal slaughtering.
- Tax on uncultivated lands.
- The subventions or subsidies that the State grants to it
- The legacies or donations that become in favor of the district
- The issue of bonds or stocks with the endorsement of the Nation.

In addition, the municipalities can tax the agencies or representations of factories, signs or billboards, the mechanical playground machines, barber's shop, hairdressing salons, public dances, spas and seaside resorts, recreation places, billiards, gas stations, jukeboxes, pawnshops, occasional lodging places, brothels, cabarets, public and private cemeteries,

quarries, bars, warehouses, wholesale and retail trade, insurance companies, public shows, flower shops, ice-cream shops, cool drinks shops, games, laundries and dry cleaner's, hospitals, laboratories, clinics, public markets, bakeries and candy stores, plates for dogs, beauty parlors, restaurants, merchandise coupon books, plates for vehicles.

In this regard, it can be emphasized that the most significant tax revenues, such as Income Tax or ITBM (5-percent tax on the consumption of transferable goods), are collected directly by the central government, even though they are generated within the district.

Approximately 50% of the revenues received by the district of San Miguelito come from indirect taxes on commercial establishments and occasional lodging houses. The rest comes mainly from the payment of fees charges on construction permits, license plate of motor vehicles and permits to sell alcoholic beverages.

With respect to the substantial increases of the revenues during 2000 and 2001, they represent payments for garbage collection since in August of 1999, the Central Government transferred to the Municipality this service that was formerly rendered by the Cleansing Department of IDAAN. During these two years all the revenue obtained from the cleansing fee collected through IDAAN was transferred to the Municipality. Nevertheless, this service has already been given under concession to a private company since the beginning of 2002. This is reflected in a decrease of revenues and expenditures in 2002.

Several significant aspects with respect to the municipal revenues can be underlined:

- These revenues have tended to grow in accordance with the increase of the economic and social activities in the district, especially of those activities that the districts can tax by law.
- The construction sector entails an major source of revenue of the district since by law, a fee equivalent to 1% of the value of the construction has to be paid.

- Even though the economic activity in general grows substantially within the district, the municipal revenue will not grow accordingly, because, by law, major taxes are collected by the central government.
- An evaluation with respect to the effectiveness in the collection in the district does not exist; however, at the national level, it is considered high since there is a great informality throughout the country.

Table 3-6. Municipal Revenue in the Province of Panama and in the Districts of Panama and San Miguelito: 1990-2002

(In US\$)

Year	Municipal Revenue in the province	Revenue of the district of Panama	Revenue of the district of San Miguelito	Revenue of San Miguelito as a percentage of the province total	Revenue of the district of Panama as a percentage of the province total
1990....	20,930,398	17,744,738	2,467,671	11.8	84.8
1991....	27,373,796	20,179,122	3,287,720	12.0	73.7
1992....	29,748,780	22,294,144	3,456,344	11.6	74.9
1993....	33,393,821	25,602,923	3,575,716	10.7	74.9
1994.....	34,473,379	26,327,479	3,787,851	11.0	76.4
1995.....	37,648,717	28,660,905	4,403,920	11.7	76.1
1996.....	41,567,789	32,030,000	4,675,769	11.2	77.1
1997.....	36,833,104	32,085,575	4,077,876	11.0	87.1
1998.....	38,397,000	32,000,000	4,343,472	11.3	83.3
1999.....	45,201,857	34,600,000	4,509,165	9.9	76.5
2000.....	73,302,650	55,210,993	10,959,740	15.0	75.3
2001.....	77,635,828	59,415,300	11,124,656	14.3	76.5
2002.....	72,898,119	59,415,300	6,537,641	8.9	77.3

Source: Ministry of Economy and Finances.

3.6.2 Municipal Expenditures

The most relevant expenditures in the district are Personal Service, that is, employees salaries as well as social benefits, including the Thirteenth Month bonus and the employer's contributions to Social Security. Not only do they generate direct employment, but also they make transfers to the Community Boards for the payment of wages.

**Table 3-7. Expenditures of the Municipality of San Miguelito,
by object: 2001**

(In US\$)		
Object	Amount	Proportion
TOTAL EXPENDITURES.....	7,725,113	100.0
Personal Services.....	5,216,719 (a)	67.5
Non-Personal services.....	499,421 (b)	6.5
Materials and Supplies.....	813,342 (c)	10.5
Machinery and equipment.....	50,464 (d)	0.6
Constructions by contract.....	100,247	1.3
Current transfers.....	1,038,315 (e)	13.4
Unforeseen expenditures.....	6,605	0.13

(a) Most important services are: permanent, temporary personnel, expenses of representation.

(b) Basic services, electricity and travel allowance.

(c) Fuel is the most significant expense

(d) Land transportation

(e) Subsidies, scholarships, payments to Community Boards and payment of employer's contribution to the social insurance

Source: MEF. Department of Municipal Budget.

Among the most important aspects regarding municipal expenses are the following:

- If the payments of travel allowances and contributions to Social Security are added to the Personal Service item, which represents 67.5%, the amount is estimated to exceed 80% of total expenditures.
- The level of investment within the district is minimal, since the scarce resources are allocated to the administrative expenditures.

3.7 Basic Social Services

According to the last census (May 2000), San Miguelito has 68,808 houses, that is, 17,163 houses more than in the 1990 Census. In relation to the coverage of basic services, it is interesting to note that potable water coverage is close to 100% in all the corregimientos, where less than 1% of houses does not have easy access to this vital liquid.

The coverage of sanitary facilities and electricity is also close to 100%. The exception is the corregimiento of Arnulfo Arias Madrid where 6.1% do not have sanitary facilities (i.e. toilet and bathroom), while 2% do not have electricity.

Table 3-8. Coverage of Basic Services of Water, Electricity and Sanitation in the District of San Miguelito, by Corregimiento: 2000

District and Corregimiento	Housing units		Without potable water		Without sanitary facilities		Without electricity	
	Total	%	Total	%	Total	%	Total	%
District of San Miguelito.....	68,808	100.0	56	0.08	937	1.4	574	0.8
Amelia Denis de Icaza.....	6,975	10.1	22	0.32	39	0.6	88	1.3
Belisario Porras.....	14,104	20.5	4	0.03	177	1.25	157	1.1
Jose Domingo Espinar.....	9,020	13.1	6	0.07	115	1.3	56	0.6
Mateo Iturralde.....	3,165	4.6	0	0	11	0.3	12	0.4
Victoriano Lorenzo.....	4,151	6.0	0	0	47	1.1	24	0.6
Arnulfo Arias.....	5,657	8.2	14	0.25	347	6.1	116	2.0
Belisario Frias.....	10,476	15.4	4	0.04	142	1.4	49	0.5
Omar Torrijos.....	8,666	12.6	1	0.01	57	0.7	63	0.7
Rufina Alfaro.....	6,594	9.6	5	0.08	2	0.3	9	0.1

Source: Office of the Comptroller General. 2000 Census.

3.8 Main Socioeconomic Problems

On the average the socio-demographic indicators of the district of San Miguelito are similar to those of the district of Panama and the living conditions of their population are better when compared to most of the remaining districts, because most of the economic and social activities take place in Panama Metropolitan Area.

This implies that there is a similarity in the advances achieved in the matter of social development (higher level of education, health and housing conditions). Nevertheless, these districts also face common problems, such as high levels of unemployment, criminality, and drugs, among others.

3.8.1 Poverty

Using extreme values between 0 for best situation and 100 for the worse, the Living Standard Survey, conducted by the MEF in 1997, considered the probabilities of being poor in each district of the country. In the specific case of San Miguelito it was considered that 63,785 people were in poverty conditions on that date and that the probability of being poor was 26%.

This level is not as alarming as the existing situation in the districts with indigenous population where this probability was very close to 100%. In San Blas, Cemaco and Sambu this indicator was as high as 98%. The districts of Panama and Chitré are the only districts having a better situation than San Miguelito. Nevertheless, since San Miguelito has a large population, in absolute terms, the problem is important, as shown in the following Table:

Table 3-9. Probability of being Poor in Panama in Some Selected Districts: 1997

District	Order of poverty	Probability of being poor	Population
San Blas.....	1	0.98	33,411
Cémaco.....	2	0.98	5,836
Arraján.....	62	0.38	23,141
La Chorrera.....	64	0.36	32,018
San Miguelito.....	66	0.26	63,785
Chitre	67	0.25	8,430
Panama.....	68	0.20	114,460

Source: Living Standard Survey, 1997 and National Censuses of Population and Housing, 1990.

3.8.2 Unemployment

According to the 2000 Census, the level of unemployment of San Miguelito was 14.77%, which is a high percentage and slightly higher than the country's average. Regarding the unemployed people, the problem seems to be mostly affecting young people.

Youth unemployment has been one of the main problems that the district faces. In effect, during the last census, 32% of the men between 15 to 19 years old were unemployed, whereas in the case of the women this percentage reached 36.7%. The differences in the rates of unemployment against women are greater in the age groups of 20 to 29 years.

Table 3-10. Rate of Unemployment of the Young People in San Miguelito, by sex: 2000 Census

Sex and age	Economically active population	Unemployed person	Percentage
Men			
15-19.....	5,493	1,758	32.0
20-24.....	13,283	2,431	18.3
25-29.....	13,192	1,431	10.8
30-34.....	11,718	1,001	8.5
Women			
15-19.....	3,845	1,412	36.7
20-24.....	9,259	2,675	28.9
25-29.....	9,529	1,950	20.5
30-34.....	8,502	1,408	16.6

Source: Office of the Comptroller General. 2000 Census.

3.8.3 Delinquency

The delinquency in the district is a never-ending problem and its effects are observed mainly on the young population, basically between 20 and 29 years old. The crimes of greater importance detected, according to the statistical figures are the following:

- Disrespect to the authority
- Possession, traffic and use of drugs
- Aggression and fights
- Larceny and robbery

**Table 3-11. Number of Arrests in the District of San Miguelito,
by Age and Misdemeanor Committed: 2000**

Misdemeanor or crime	Persons under arrest									
	Age (in years)									
	Total	Less than 20	20-24	25-29	30-34	35-39	40-44	45-49	50 and over	Not specified.
Total.....	4,386	1,094	1,135	770	517	385	206	119	126	16
Against liberty.....	4	3	-	-	-	-	1	-	-	-
Against public administration.....	378	64	134	65	59	28	9	7	10	2
Against justice administration.....	15	7	2	4	1	1	-	-	-	-
Against public faith.....	47	3	15	8	4	8	3	2	4	-
Against collective security.(1).....	540	173	127	87	56	41	30	11	9	6
Against legal order and civil state.	76	56	4	3	2	7	3	-	1	-
Against decency and sexual freedom.....	109	20	28	23	6	15	8	5	4	-
Against honor.....	6	2	-	1	1	1	-	-	1	-
Against life and personal integrity (2).....	992	208	272	195	122	95	41	26	32	1
Against patrimony (3).....	1,081	333	266	188	119	82	36	31	21	5
Other crimes and misdemeanor (4)	1,120	225	287	196	147	107	75	37	44	2

(1) Includes drug possession, traffic and drug consumption.

(2) Includes fights, aggression, shootings, homicides.

(3) Larceny and robbery

(4) Requested arrest, to carry arms without permit, intoxication, wild conduct.

Source: Office of the Comptroller General. Justice, 2000.

3.8.4 Environmental pollution

The most important environmental problems in San Miguelito are:

- **Floods**

According to the studies conducted, during the last the 30 years an accelerated increase of the urban growth has taken place in the basins of Juan Diaz, Rio Abajo and Matias Hernandez. rivers ^{4/} This has resulted in the deterioration of the environmental quality of water and has caused the increase of the overflowing on the lower and upper parts thereof.

^{4/} Eco Ambiente, S.A. "Diagnóstico Ambiental General del Distrito de San Miguelito" (General Environmental Diagnostic of the District of San Miguelito), Page 1

On the other hand, the accelerated urbanization contributes to the water retention of the ground of the river basins, thus reducing the filtration capacity of the grounds and therefore, as urban occupation advances, there is a constant increase in the volumes of water that reach the beds of the rivers, which causes floods to be more frequent. The results have been losses of human lives, victims and material damages.

Among main causes of the increase of the floods are urbanization, deforestation, the sedimentation of the river beds due to erosion and to the garbage thrown by people living near the river banks, the occupation of the floodable areas, the bad condition of the sewage systems and the conditions of tides that sometimes block the drainage of the streams.

▪ **Collection of solid waste and hazardous waste**

Regarding garbage collection, until the year 2001, it was in charge of the municipality, after this responsibility was transferred in 1999 from the Metropolitan Bureau of Cleansing (DIMA) of IDAAN to the municipalities. About 200 tons of garbage are collected daily and deposited in the sanitary landfill of Cerro Patacon. The estimated production was about 235.41 tons of solid waste.

The "General Environment Diagnostic of the District of San Miguelito" study estimated that the non-collected garbage, some 25 tons, was thrown into the beds of the rivers.

Hazardous waste coming from some factories such as soaps and detergents, chemicals for cleaning, metallic products, paints, paper mills, wood manufactures, plastic products, car shops, and thermo-electrical plants, are also causing an increasing contamination in the area.

There are communities that do not have an adequate garbage collection service, which bears relation to the degree and the form of urbanization of the corregimientos. The most affected are Amelia Denis de Icaza, with barely 10% of the population served, whereas in

the corregimientos of Belisario Porras and Jose Domingo Espinar, the non-served population is estimated at 20%. ^{5/} It should be pointed out that this information dates from 1999 and that at the present time, the collection service is rendered by a private company. Nevertheless, the complaints about the service continue.

▪ **Waste Waters:**

The domestic waste waters are poured into the sanitary sewage system. Others are discharged in septic tanks for human excrete, and also in some cases, into latrines.

▪ **Polluting gases:**

In the air there exist polluting gases, SO₂ and NO₂, that exceed the concentration level standards established by the World Health Organization (WHO). Regarding H₂S, its level of concentration is higher than the indicated level of the norm of the Canadian province of Ontario. ^{6/}

3.9 Other Social Indicators

Following is the most relevant information of the district of San Miguelito compared with the district of Panama, where one can see the similarity that exists between both of them, as stated above:

^{5/} Eco Ambiente, S.A., Op. Cit., Page 7.

^{6/} Eco Ambiente, S.A. Op.Cit., Page 183,

Table 3-12. Some Social and Economic Indicators in the Republic of Panama and in the Districts of Panama and San Miguelito: 1990 and 2000

Detail	National Average		District of Panama		District of San Miguelito	
	1990	2000	1990	2000	1990	2000
Annual Average Income per Person (Current Balboas).....	1,598	2,377	2,904	4,092	1,884	3,186
Annual Average Income per Person (Balboas of 1987).....	1,575	2,098	2,861	3,612	1,857	2,812
EAP employed with minimum wage and more (%).....	54.8	68.5	69.4	83.4	68.2	82.4
Houses with acceptable materials (%).....	77.1	83.4	93.9	95.4	96.1	97.3
Houses with acceptable services (%).....	46.9	53.7	64.0	63.3	52.7	60.0
Houses with acceptable number of people per dormitory (%).....	65.2	64.8	66.6	60.8	57.0	55.1
Houses with all the indicators (%).....	45.3	52.0	62.6	62.3	52.6	59.7
Net combined attendance (primary, secondary and superior) (%).....	62.5	68.2	69.2	70.7	70.3	71.0
Literacy (%).....	88.5	92.3	95.9	98.0	96.2	98.1
Average schooling (people aged 15 years and over) (years).....	7.7	8.6	9.7	10.3	9.1	10.0
Educators with superior education (15 years and more of study) (%).....	55.9	68.3	71.1	78.0	62.4	74.6
Life expectancy at birth (years).....	72.2	73.9	75.3	76.0	75.1	75.9
Achievement in Education (index).....	0.653	0.720	0.761	0.795	0.732	0.782
Achievement in Longevity (index).....	0.786	0.815 *	0.838	0.850 *	0.835	0.849 *
Achievement in Living Standard (index).....	0.501	0.586	0.643	0.703	0.579	0.676
Human Development Index (index).....	0.646	0.707	0.747	0.783	0.715	0.769
Death before 40 years (% people).....	8.0	6.5 *	5.5	4.8 *	5.6	4.9 *
Illiteracy (%).....	10.7	7.6	3.3	1.9	3.3	1.9
Without potable water (%).....	19.3	10.2	4.9	2.7	0.4	0.4
Without basic sanitation (%).....	11.9	6.8	1.9	1.4	1.9	1.4
Income under basic basket cost (%).....	31.2	26.5	12.8	9.9	13.2	7.9
Child Malnutrition (%).....	24.4	21.9	--	3.0	--	6.9
Average services deficiency (%).....	20.8	14.5	6.5	4.7	5.2	3.2
Human Poverty Index (IPH) (%).....	15.3	10.8	5.4	4.2	4.9	3.7

* Index for year 1997

Source: UNDP. National Report on Human Development Panama 2002. Statistical Compendium.

IV. EMPLOYMENT SITUATION OF YOUNG PEOPLE IN SAN MIGUELITO

4.1 Results of the Survey of Young people

4.1.1 Characteristics of the Survey

- 1) Sample: it is stratified and aleatory (at random)
- 2) Type of survey: it was made through interview, face to face, one per household, by using pre-elaborated questionnaire.
- 3) Number of interviewees: 1,500 people, including 742 men and 758 women, from 18 to 35 years old (See Table 4-1)
- 4) Place: in the 9 corregimientos of the District of San Miguelito
- 5) Margin of error: more or less 3%
- 6) Certainty of the results: theoretically 97%
- 7) Areas of investigation: Characteristics of the housing, the family, and demographic; situation of education and employment, entrepreneurial capacity; knowledge, abilities and aptitudes of the young people.
- 8) Pilot survey: Monday, September 9, 2002
- 9) Period of application: between September 16 and October 20, 2002
- 10) Work team: a general coordinator, a fieldwork coordinator, two sample designers, a demographer, a programmer, 2 codifiers, 5 data processors, 4 data supervisors and 24 interviewers.

4.1.2 Allocation of Sample

The Sample of the Study includes 1.500 young people of the following ages and sexes:

**Table 4-1. Size of Sample of the Survey of Young People
in the District of San Miguelito, by Age Groups,
by Corregimiento and Sex: September 2002**

Corregimiento and sex	Total	Age Groups (years)			
		18 - 19	20 - 24	25 - 29	30 - 35
TOTAL	1,500	181	463	417	439
Amelia Denis De Icaza.....	184	24	57	49	54
Arnulfo Arias.....	149	21	47	39	42
Belisario Frias.....	243	35	80	68	60
Belisario Porras.....	285	32	92	85	76
Jose Domingo Espinar.....	152	18	39	39	56
Mateo Iturralde.....	65	5	20	17	23
Omar Torrijos.....	194	22	65	56	51
Rufina Alfaro.....	140	14	36	40	50
Victoriano Lorenzo.....	88	10	27	24	27
MEN	742	89	232	201	220
Amelia Denis De Icaza.....	92	10	31	24	27
Arnulfo Arias.....	79	10	26	20	23
Belisario Frias.....	124	18	40	34	32
Belisario Porras.....	145	17	47	42	39
Jose Domingo Espinar.....	74	10	19	18	27
Mateo Iturralde.....	33	3	9	9	12
Omar Torrijos.....	96	11	31	29	25
Rufina Alfaro.....	59	5	16	15	23
Victoriano Lorenzo.....	40	5	13	10	12
WOMEN	758	92	231	216	219
Amelia Denis De Icaza.....	92	14	26	25	27
Arnulfo Arias.....	70	11	21	19	19
Belisario Frias.....	119	17	40	34	28
Belisario Porras.....	140	15	45	43	37
Jose Domingo Espinar.....	78	8	20	21	29
Mateo Iturralde.....	32	2	11	8	11
Omar Torrijos.....	98	11	34	27	26
Rufina Alfaro.....	81	9	20	25	27
Victoriano Lorenzo.....	48	5	14	14	15

Source: Survey

4.1.3 Analysis

Following is an analysis of the most relevant aspects of the questionnaire applied to the 1,500 young people of the district of San Miguelito between 18 and 35 years old.

1) Housing

The conditions of the house of the surveyed population are acceptable and are comparable to the average reflected by the 2000 Census.

a) Tenancy of the House

87.3% possess their own house, whereas 10.7% are renting and 1.75% live in granted dwellings (that is, houses which are not theirs but they do not pay anything for it). This high percentage of ownership is due to the fact that in this District there was a titling process by which title deeds were given to persons who had invaded the lands in the past, and also because large urbanizations have been constructed, such as Villa Lucre, Cerro Viento, Cerro Viento, San Antonio, Altos del Golf y Villa Zaíta. It is underlined that people living in these urbanizations have increased the average income of the district.

b) Housing Condition

The houses in general are of a good material. 97.8% have external walls made of concrete and 98.8% have floor of concrete. Hardly 0.3% have earth floor. Regarding coverage of basic services is concerned: 97.9% have potable water; 97.7% electricity and 84.5% sanitary facilities. It is observed that this coverage of sanitation (84.5%) is lower than the 98.6% registered in the 2000 Census for the whole district.

The average number of rooms is 5, including living room and kitchen. Overcrowding problems are not observed, since families are not very large.

The average number of inhabitants per household is also 5, near the average of 4.2 recorded by the 2000 Census for the whole district.

c) Electrical household appliances and other equipment:

A high percentage has basic household appliances such as stove, refrigerator, television set and radio. In smaller proportion, they have other important facilities such as telephone, automobile and computer, as detailed below

Table 4-2. Percentage of the Young People's Houses with Household Equipment in the District of San Miguelito

Equipment	Percentage
Stove.....	98.9
Television set.....	97.8
Radio.....	91.1
Refrigerator.....	90.7
Electrical Fan.....	86.2
Washing machine.....	74.7
Telephone.....	52.9
Automobile.....	34.9
Sewing Machine.....	25.4
Computer.....	21.6
Air Conditioner.....	14.1
Others.....	2.5

Source: Survey

The fact that a large percentage has television set, radio, telephone and computer implies that the young people of the district have a good access to information.

2) Family

a) Kinship or relation with Head of the Household

Approximately half of the interviewees (50.5%) are son or daughter of the household head. Only 13.7% are heads of the households and 11.9% are spouses or couples.

Regarding the heads of the households, 67.3% are male and 32.7% female. 31.3% of female heads of the household are unmarried and 16.4% are divorced or separated. For both sexes, most of the married people are over 30 years old.

The data imply a high dependency of the young people and a tendency to remain at their parents' or relatives' (68.4%), even though they got married. While few (25.2%) take on the responsibility of living independently before the age of 35 years. In addition nearly half of the female household heads does not live with their spouses or companions. Of the 67 female household heads, 21 are single and 11 separated or divorced.

b) Family income

59.1% of the families earn less than US\$ 500.00 per month. In particular, 43.3% are located in the monthly income bracket between US\$ 251.00 and US\$ 500.00, similar to the situation in the district of Panama.

Table 4-3. Monthly Family Income

Income (US\$)	Total	%
TOTAL.....	1,500	100.0
None.....	21	1.4
Less than 75.....	61	4.1
75 - 150.....	158	10.5
151 - 250.....	232	15.5
251 - 500.....	414	27.6
501 - 1000.....	236	15.7
1001 - 1500.....	92	6.1
1501 - 1999.....	50	3.3
2000 and more.....	38	2.5
UK/NA.....	198	13.2

UK/NA: Unknown or no answer

Source: Survey

Since the current minimum wage is approximately US\$ 250.00 a month, a family income lower than this amount, implies a certain degree of informality or underemployment, especially when only one person generates the household's income. In this condition is 30.1% of the families surveyed. Also, if we took into account that the minimum wage is only sufficient for covering the cost of the basic food basket and that it has been estimated that a four-member family needs an income equivalent to double the minimum wage to cover all its necessary expenses, namely feeding, housing, basic services, recreation, etc., it could be understood the difficulties of the young people to take on the responsibility of forming their own family and the difficult economic situation in the district.

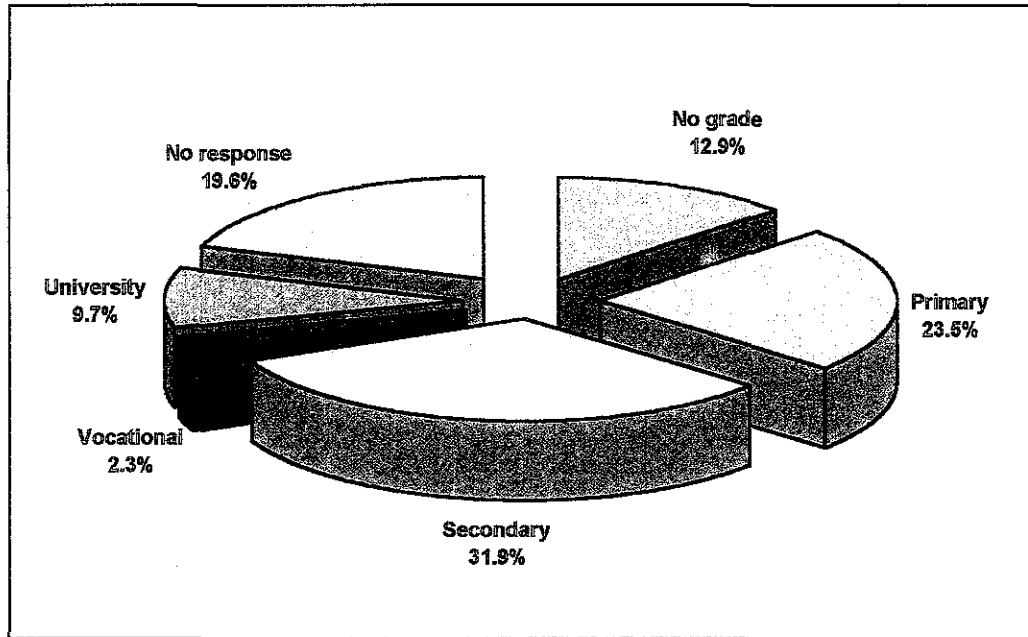
Very few (barely 1%) reported that their families receive some type of donation or community aid, such as food (42.9%), clothing (21.4%) and others, including scholarships. Most of the donation or aid comes from the government (42.9%), followed by the Church (21.4%), the private company (14.3%), NGOs (7.1%) and other donors (21.4%). 50% receive a monthly aid amounting less than US\$ 50; whereas 14.3% reported that they receive more than US\$ 100.00. The aid received by low-income families is very little.

Average family income in the households of the young people in San Miguelito is estimated at US\$ 365.00

c) Level of education of parents

Regarding the education of the interviewee's father, 31.9% have secondary studies, 23.5% attended primary school, and 2.3% have vocational studies. Few of them have university education (9.7%). 19.6% did not respond to the question, because they did not know this information (see Graph 4-1).

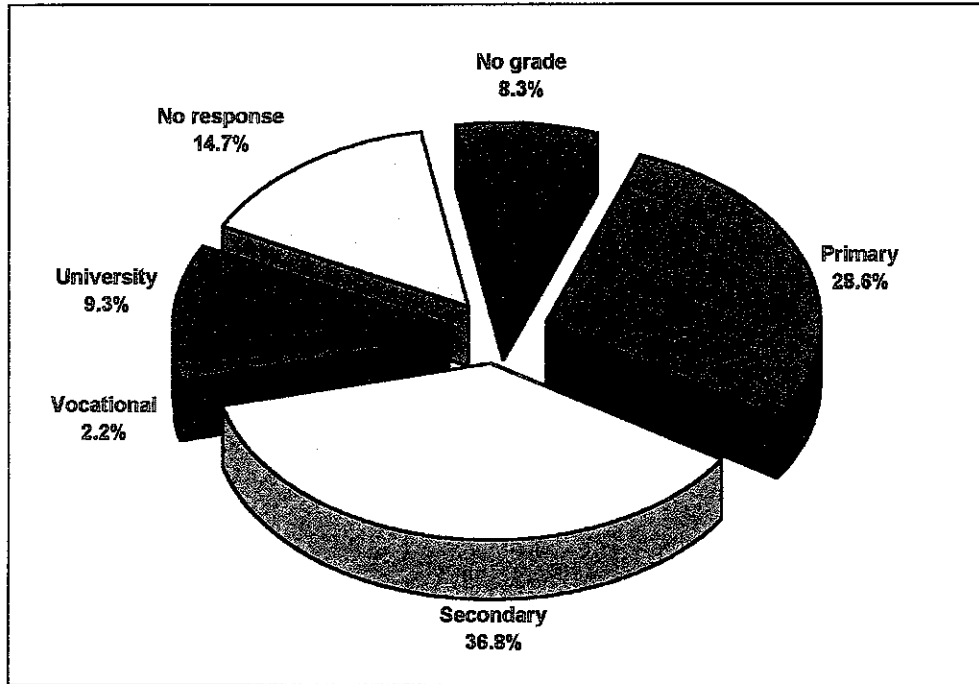
Graph 4-1
Education Level of the Interviewee's Father



Source: Survey

The data on the education of the interviewee's mother reflect that 36.8% have secondary education, 28.7% primary education and 2.2% vocational study; whereas 9.3% (percentage similar to that of the father) have university study. 14.7 did not answered (see Graph 4-2).

Graph 4-2
Education Level of the Interviewee's Mother



Source: Survey

The results reflect that there is not much difference regarding the levels of instruction between the mother and the father of the interviewee.

In addition, it has been noted that there is an evident improvement in the education of the children compared with their parents. Most of interviewed youngsters have secondary and university education. In the case of parents, even though the greater percentage is located at the secondary level, there is also a high percentage at the primary level.

The results also show that a very low percentage of both young people and their parents have vocational education. This situation also reflects the fact that most of the secondary schools in the country offer high school diplomas in the field of science and commerce, as a preparation for university studies, and the educational supply in the vocational area is limited.

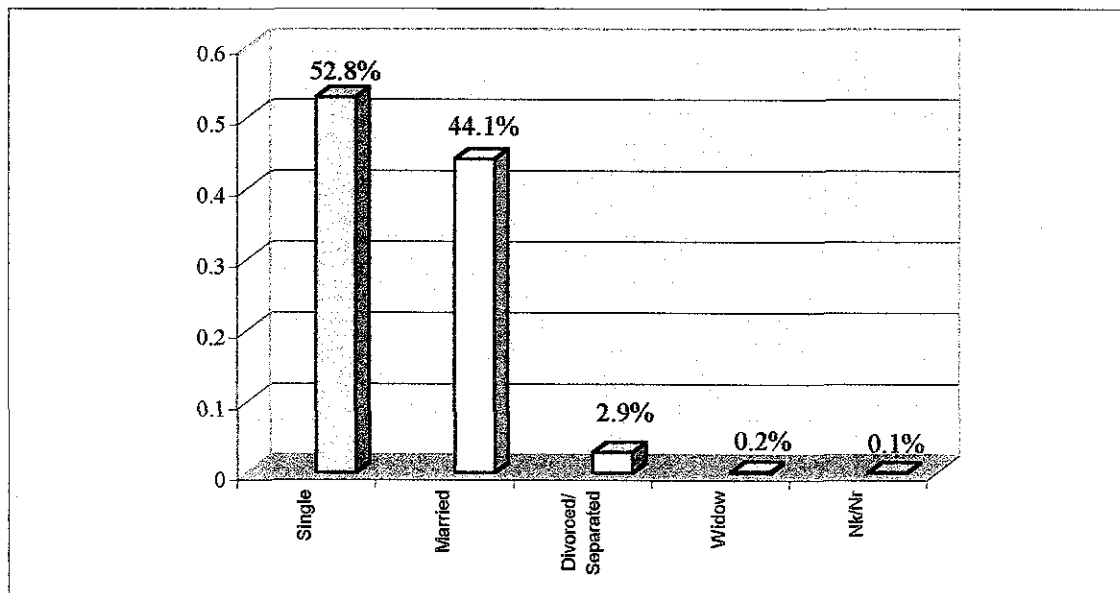
Additionally, a clear relation between the level of education and the family income has been demonstrated. The results indicate that for those interviewed youngsters whose have no more than primary education, 42.1% reported a monthly family income lower than or equal to US\$ 250.00. For those who have secondary education, 35.1% have a family income of US\$ 250.00 or less; for the vocational education this percentage is 35.9% and for the university level, it is 11.7%.

3) Demographic Data

a) Marital Status

52.8% of the interviewees are single and 44.1% married; nevertheless, only 25% said that they are heads of the household or spouse/couple of the head of the household, demonstrating that young people tend to live with their parents even though they got married (see the Graph 4-3).

Graph 4-3
Marital Status of the interviewees



Source: Survey

b) Nationality

98.4% of the interviewees are of Panamanian and 1.5% foreigners residing in the country. Having legal documents to work, then, would not be an impediment to obtain employment among the young people of the area.

c) Birthplace

The survey revealed that the 85.4% of the young people who reside in the District of San Miguelito were born in other places. In particular, 57.2% came from other districts of the Province of Panama, 26.7% from other provinces and 1.5% from abroad. These figures confirmed the findings of other studies that emphasize that most of the population is a result of internal migrations. However, an important factor is that nearly five years ago, there was no public hospital with maternity room in the district of San Miguelito so that women had to give birth out of the district. Another factor is the construction of new urbanizations such as Cerro Viento, San Antonio, and others that have led many families to move from the district of Panama to San Miguelito.

d) Time residing in San Miguelito

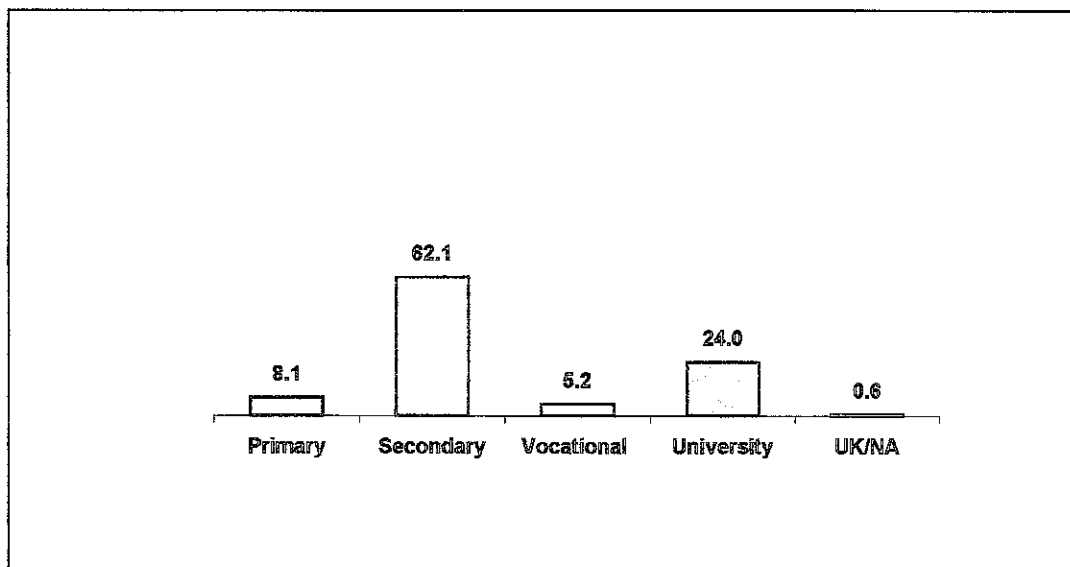
30.1% of the interviewees indicated that they have always resided in the District of San Miguelito; 40.5% have more than 10 years; 10.3% have 6 to 10 years; 13.7% have 1 to 5 years and 5.3% have less than 1 year. About 0.1% did not respond to the question. It is underlined that the answer to this question could generate certain inconsistency with the previous one, because some of the young people came with their families when they were small or were born in the hospitals of the district of Panama, but were raised in San Miguelito and for that reason they consider that they have always lived in San Miguelito.

4) Educational Condition

a) Schooling:

Regarding the highest grade or year approved, 62.1% of the interviewees have secondary education and 24.0% university education. This is the reason why there exists in the area a relatively higher level of formal education (12 or more years of study) in comparison with the average for the population in general, that is 7.5 years approved, and for young people between 20 and 34 years, that is approximately 9.6 years approved. 5.2% have vocational education and only 8.1% have basic education. As in the rest of the country, the level of education of women is higher than that of men (see Graph 4-4). It is a matter of concern that a small percentage of the interviewed youngsters have continued studying after graduating from high school. Not having university studies constitutes a limitation to compete in the labor market, since every year is greater the number of university graduates at bachelor's and master's degrees, and the level of requirements from the companies is higher as regards to the level of study and knowledge.

Graph 4-4
Higher grade or year approved by the Interviewees
(Percent)



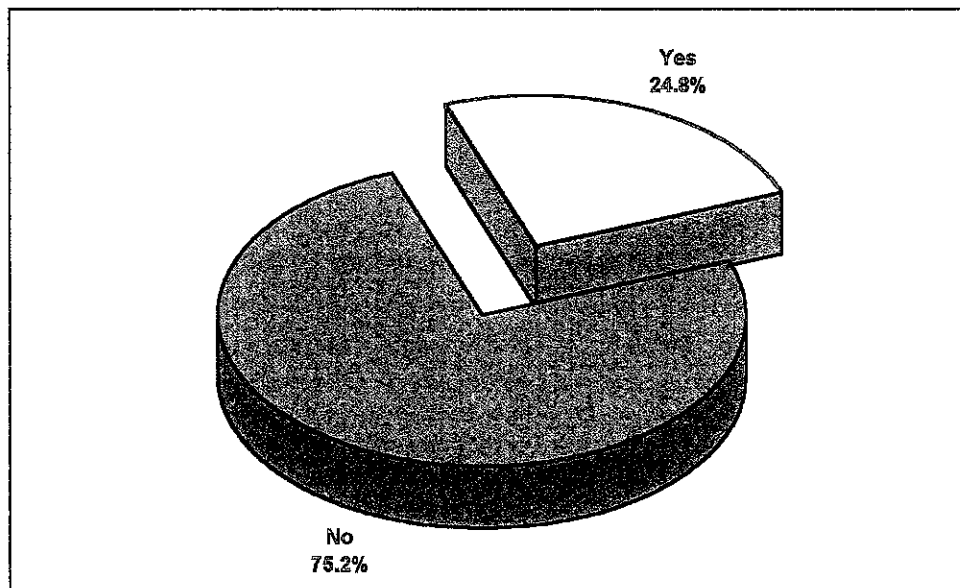
Source: Survey

b) Continued Studies

On the other hand, 75.2% of the interviewees are not studying at the moment and 24% said that they are studying. 71% attend the University. Most of those who continue studying are 20 to 24 years old (42.2%) and 25 to 29 years old (25.5%). As regards to gender, the proportion is similar between women (50.8%) and men (49.2%). The majority are studying at night (66.4%) and in public institutions (71.2%). Those who do not study indicated that it is due to economic problems (34%) or to the fact that they have to work (33.6%).

This situation is worrisome because it indicates that most of the young people, especially young men, are satisfied with having finished the secondary school, which constitutes an impediment to get better remunerated jobs or limits their opportunity to open their own companies. This situation is aggravated by the fact that free training centers in Panama, such as INAFORP, do not have the capacity to meet the demand (see Graph 4-5).

Graph 4-5
Percentage of Interviewees who study



Source: Survey

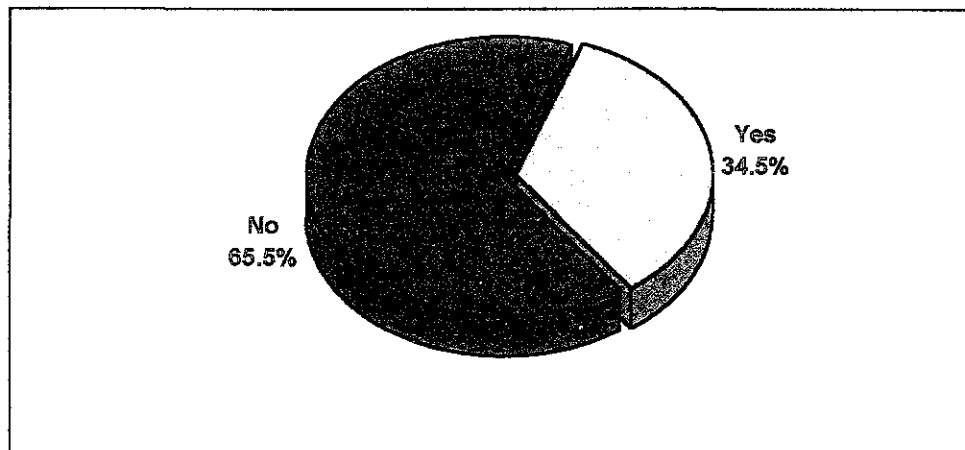
c) Relation with the level of income

As expected, the results also indicate that the schooling tends to be higher in the families with greater income. With family income lower than US\$.250, there are 42.1% of those have only primary education, 35.9% with vocational education, 35.1% with secondary education and 11.7% with university studies.

d) Other Type of Training

Only 34.5% of the interviewees have received some other type of training. The distribution is almost homogenous as regards gender (49.3% for women and 50.7% for men) and age groups (around 30% each for 20-24, 25-29 and 30-35). Most of the interviewed people (81.2%) think that the training received only has allowed them to increase their knowledge; but very few perceive that it has served them to improve their income or their productivity or has helped them to increase their employment opportunities (to get a job or to create their own company). It is emphasized that the interviewees find little relation between the training received and the improvement of their living conditions (see Graph 4-6).

Graph 4-6
Percentage of Interviewees who have received
Any other type of training



Source: Survey

Regarding the place where they received the training, the most common answers were INAFORP, FUNDES and the companies where they work.

On the other hand, only 18.1% of the interviewees declared that they have received some type of professional guidance on the careers and occupations that the market requires. More than half (57.6%) received this guidance through seminars, and the rest by means of documents (13.6%), advisory (12.2%), Internet (7.1%), and other ways (9.5%).

5) Labor Condition

a) Unemployment Rate

63.9% of the interviewees are not working. It is underlined that out of them, 28.1% indicate that they are not seeking job. This high unemployment rate is explained by the fact that most of the survey was made during day, because it is a dangerous area. According to the 2000 Census, in the district of San Miguelito unemployment rate is around 8.6% (20.429 people); nevertheless, there exists a large not-economically-active population of 99.009 persons, that account for 41.7% of the EAP. It is observed then a high dependency and social burden in the area.

b) Work Place

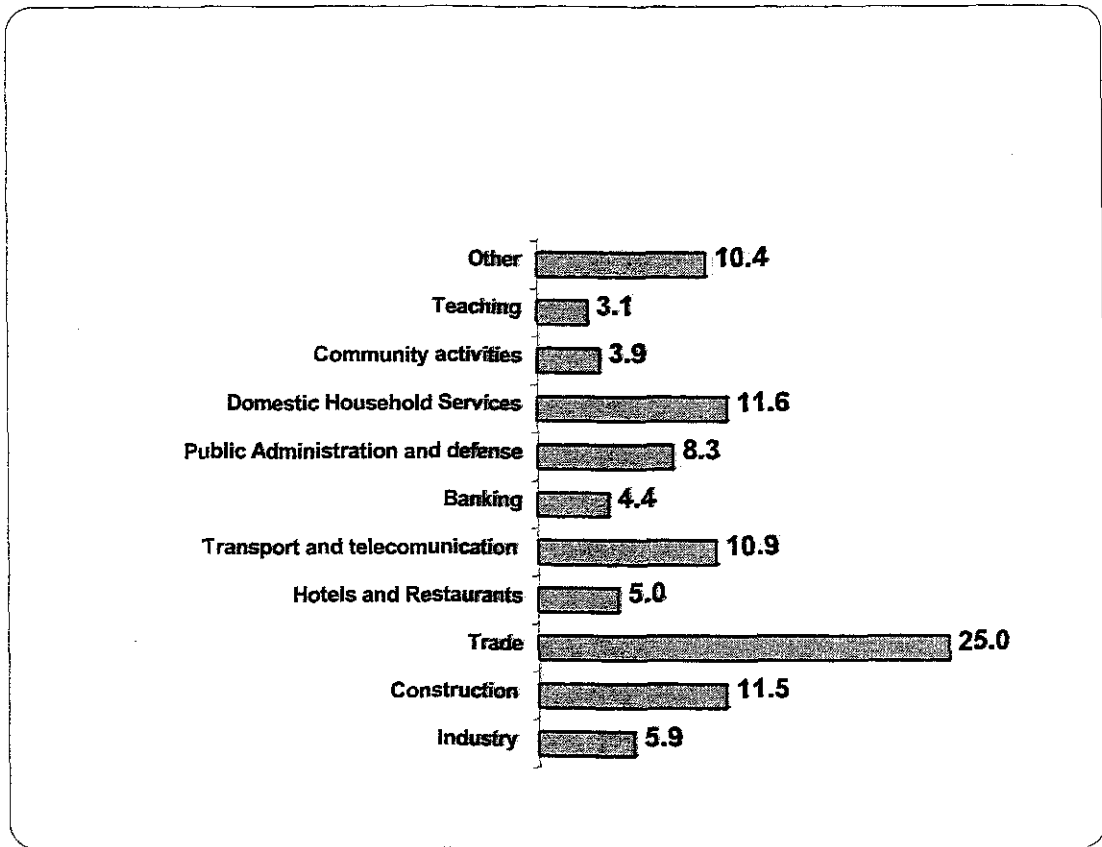
The majority (64.0%) work outside the district, showing the fact that San Miguelito is basically a kind of residential district and has relatively few commercial or industrial establishments.

Only 12.4% work with the government. The majority work in private companies (50%), by owned account or self-employed (18.9%) or in domestic services (10.2%). The rest are employers (4.6%), family workers (1.8%), or work in other sectors (0.3%). It is observed that because of its financial situation, the public sector cannot be the main employer for these young people, as used to be in previous decades, even though they are qualified.

c) Economic Activity

Most of them work in Commercial activities (25.0%) and Services, mainly domestic Services (11.6%), Transport, storage and telecommunications (10.9%) and Public Administration and Defense (8.3%). The fact that most young people are engaged in commercial and services activities agrees with the official statistics (see the Graph 4-7).

Graph 4-7
Economic activity where young people work



Source: Survey

d) Occupation

21.4% are service workers; 15.7% as professional/technician, 15.0% clerical workers, 12.6% workmen and/or day laborers, 9.8% sales workers, 8.5% manager, chief, or director, 7.0% drivers, 6.1% operators, 3.3% craftsmen and 0.6% farmers and/or cattle raisers.

e) Size of the companies

Regarding the number of employees of the companies, businesses or institutions where the interviewees work, 21.6% have only one employee, 30.3% between 2 and 10 employees, 22.5% between 11 and 29 employees, and only 27% have 50 workers and over. The great majority of the young people have been contracted by small companies, situation that is connected to the low wages they receive and the fact that they are working in areas for which they did not study.

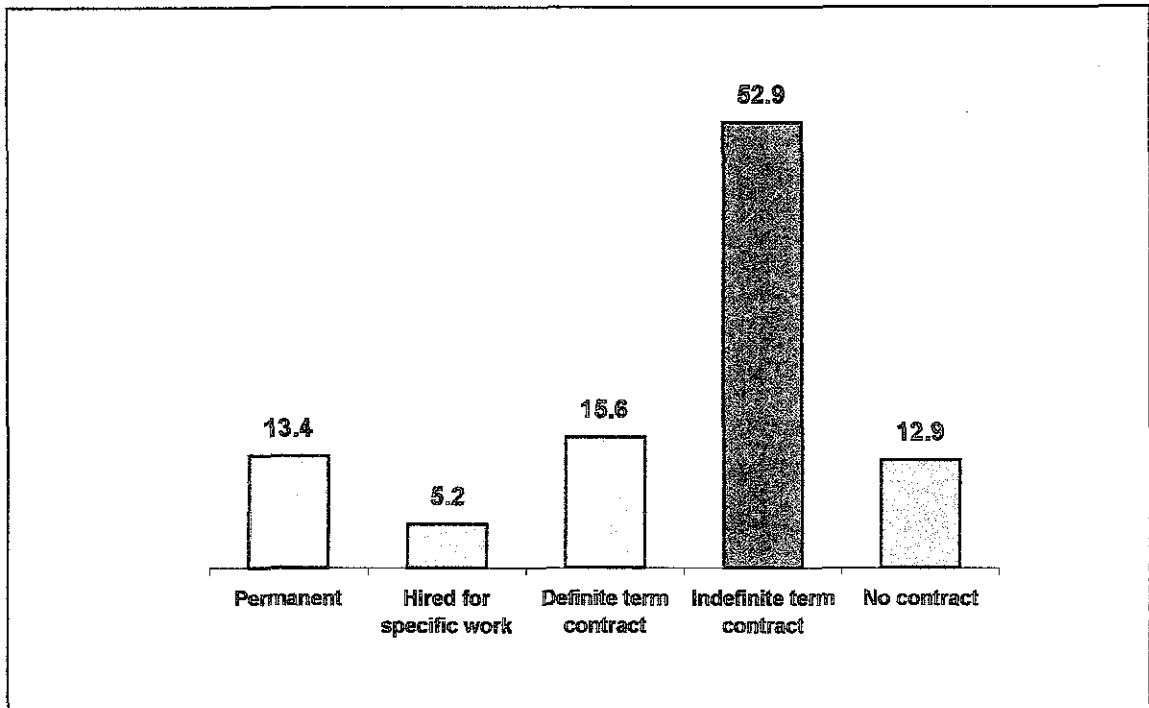
f) Labor condition

66.3% of the interviewees who work, have indefinite term contract or are permanent. 12.9% work without contract. The rest have definite term contract (15.6%) or work by specific-task contract (5.2%) (see Graph 4-8).

The average of working hours is 8.6 per day, higher than maximum daily working hours allowed by the Panamanian legislation which is 8 hours. 40.5% wish to work more hours because of the low wages they earn, but they have not been able to do it because their day of work does not allow them (38.5%) or have not been able to find another job (43.1%). Very few mentioned the fact that they are studying (9.1%).

52.5% have less than 2 years working with the same employer, which indicates a situation of instability on the job. Some 20.1% have 3 to 4 years.

Graph 4-8
Labor Condition of the Interviewees



Source: Survey

Only 57.1% of those who work, pay contribution to and are covered by the social security system, which is mainly due to the fact that the young people work in small companies or are engaged in informal activities.

45.1% of the interviewees who work, have monthly wage or income between US\$ 251 and US\$ 500, and 35.1% less than US\$ 250. This indicates the low levels of wages of the young people, below the minimum wage or in a situation of underemployment. Only 15.9% of the interviewees who work have an income other than their salary.

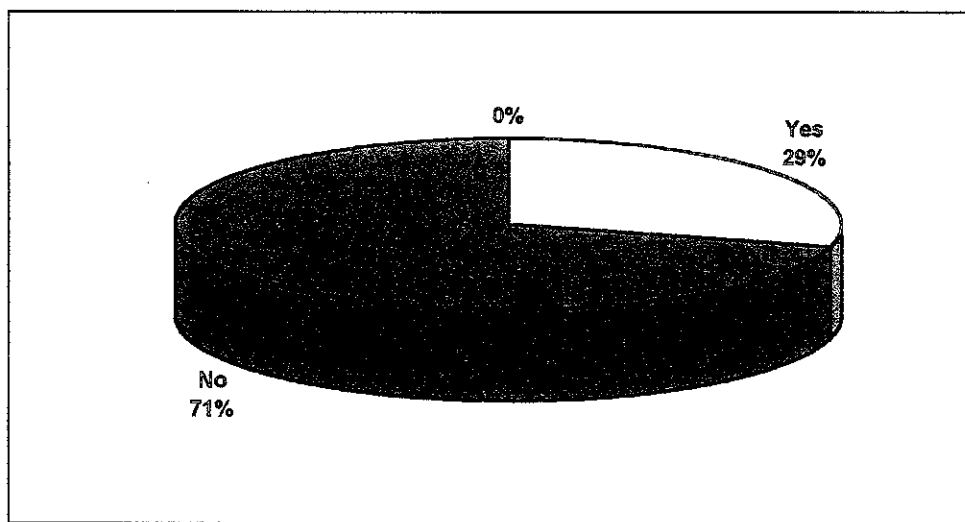
g) Mobility on the employment

80.4% of the interviewees who are working, have not changed their job in the last twelve months, 7.0% have made it only once, 7.6% twice, 2.6% three times and 2.4% more than three times. In spite of not being satisfied with their salary, there is no greater tendency to change their jobs, as a result of the few opportunities to do it.

h) Relation between Work and Education

70.6% of the interviewees indicated that their work is not related to what they have studied. This is reflecting the little relation between education and the labor demand, and also the shortage of jobs that force young persons to get inserted in any activity although they are prepared for it.

Graph 4-9
Relation of the Interviewees' job and their studies



Source: Survey

i) Relation between Income and Education

As expected, there is a direct relation between the income and the level of education. 63.6% of those who earn incomes higher than US\$ 1,000.00, do have university title, and only 4.6% approved only the school primary. On the other hand, among those who earn less than US\$ 250.00 monthly, 69% reported that their highest academic degree was secondary, 18.4% primary, 4.2% vocational and 7.3% university.

j) Characteristics of the Jobless Young people

63.9% of the interviewees are not working, but 18% are not seeking work, which implies by definition that only 45.9% are actually unemployed. The main characteristics of most of the jobless young people are the following:

- **They have some labor experience**

75.4% of the young unemployed have worked previously.

- **They are engaged in commerce and services related activities**

Most of the unemployed who worked before, were engaged in commerce (38.7%), in services (10.5% in domestic service, 5.2% in transport, storage and telecommunications, 3.6% in public administration and defense, and 9.5% in hotels and restaurants), in construction (10.9%), in manufacturing (7.7%), and 11.6% in other sectors. In the area of commerce and services there is a great turnover of workers because little qualification is required and there exists a large supply of human resources.

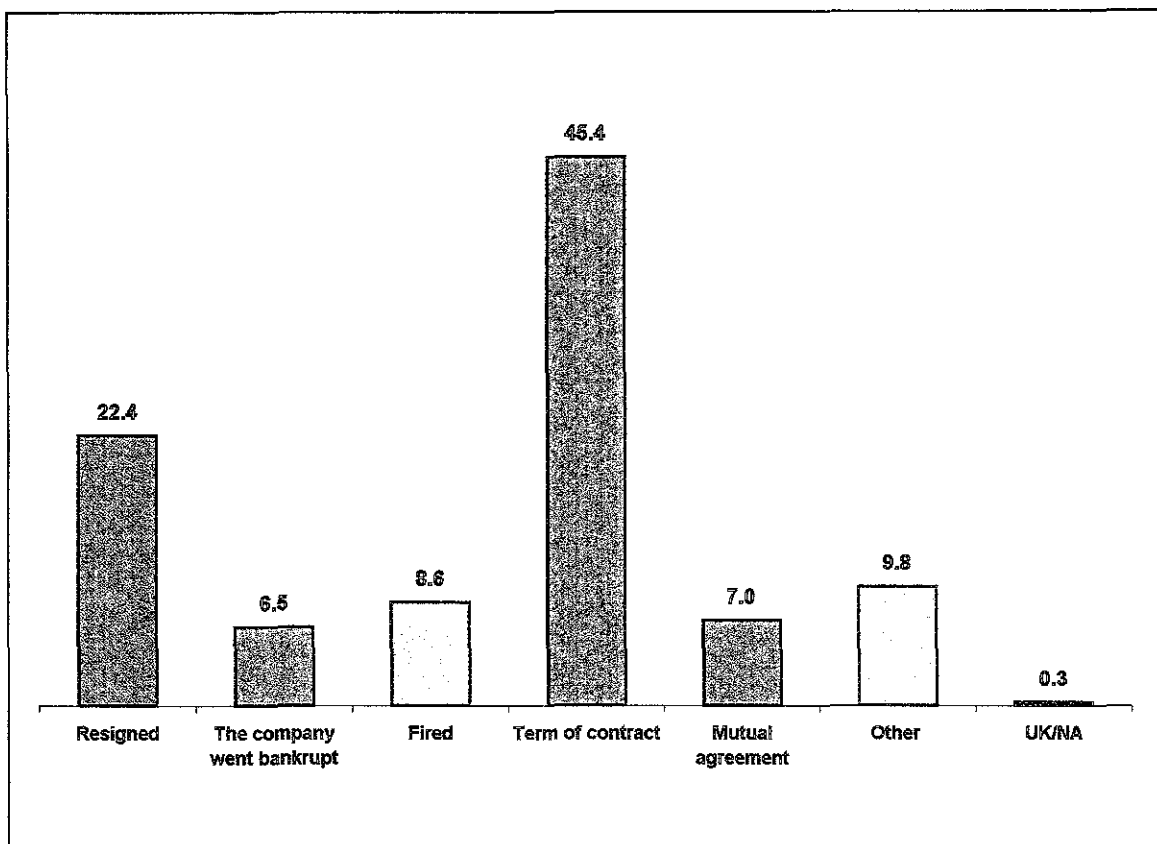
- **They have found a job since long**

On average they have 19 months without work. This average is high when compared with the national average, where the majority are located in a rank lower than a year.

- They worked and they were not rehired.

45.4% left their last work because of the term of the contract expired. 22.4% resigned, 8.6% were dismissed, 7.0% by mutual consent, 6.5% because the company went bankrupt and 9.8% for other reasons. The employers generally tend to make definite term contracts to avoid a long labor relation, and once the contract get expired, generally they do not renew them (see Graph 4-10).

Graph 4-10
Main reasons to leave the last job



Source: Survey

- The majority are seeking work

71.9% of the unemployed interviewees are looking for a job at the moment.

The main reasons of those who are not seeking jobs are that: they are only studying (30.0%), they are housewives only (27.4%), or they are pregnant (8.1%). Some indicated that it is impossible to find a job (9.3%), or they sought before and expected news (3.3%).

- **Long time looking for work**

On average, they have been approximately 9 months looking for work.

k) Work experience

15.2% do not have any work experience. 16.8% have less than a year, 28.9% has 2 to 4 years of labor experience in any field. 39% have more than 4 years of experience. Nevertheless, 64.7% of the interviewees declared that they do not have any experience in their field of professional formation. 13.9% have 2 to 4 years, and 9.9% less than a year. This reflects the fact that their labor situation is unstable and indicates lack of vocation or vocational guidance.

l) Participation in training programs

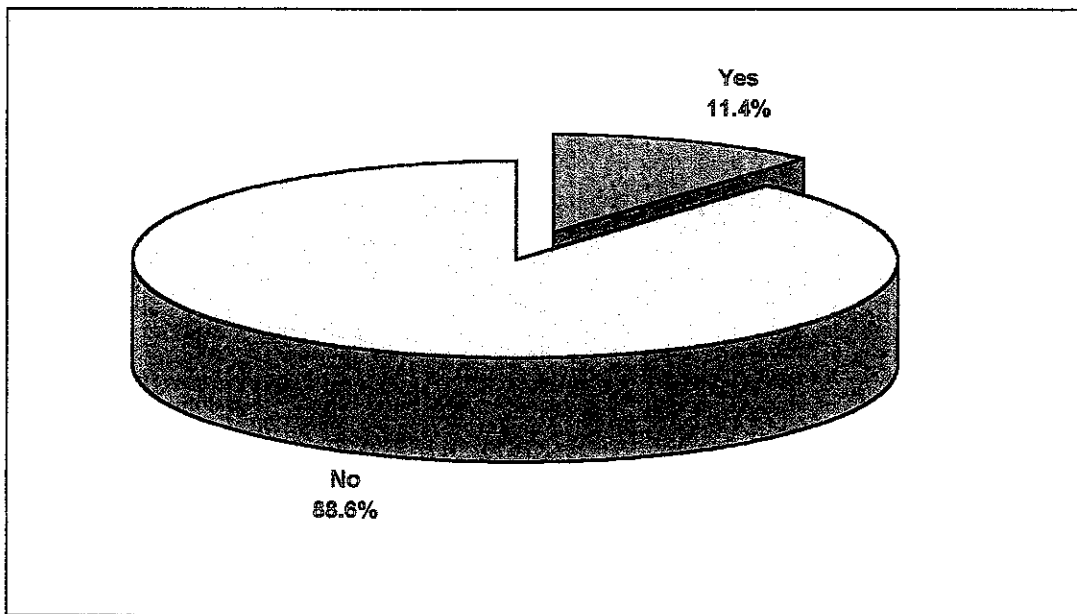
Hardly 11.5% of the interviewees know about some training program for young people, which is due to the little coverage thereof. The most known programs are Young of First Job (40.7%), Training linked to the Company (18.6%). 41.3% of those who know about these programs, have participated or are participating in them at this moment, mainly in the most commonly known. Of those who have participated in these training programs for young people, 42.4% consider that they contribute a lot to generate employment in the District of San Miguelito, 42.4% say that they contribute little, 12.2% do not contribute at all and 3.0% did not respond.

6) Entrepreneurial Development

a) *Entrepreneurial spirit*

Barely 11.4% of the interviewees have at the moment their own business. The main reasons for which they opened their own business were to be independent or self-sufficient (42.1%), to obtain higher income (35.7%), and because they did not have a job (28.7%) (see Graph 4-11).

Graph 4-11
Percentage of Interviewees that have their own business



Source: Survey

Family tradition was important only in 9.9% of the cases. This implies that the entrepreneurial spirit is not hereditary. It is highlighted that very few of those who start a business, did it because they did not find a job.

On the other hand, of the 1.329 that does not have a business, 52.9% have considered to open a business, whereas the rest (47.1%) did not show interest on the matter.

The percentage of the interested is deemed high. To obtain higher income (45%) and to be independent (28.9%) seem to be the reasons of greater importance to open a business.

b) Characteristics of the businesses of the young people

The businesses that have the young people in the district of San Miguelito present the following characteristics:

- **They are own and individual**

78.4% of the businesses are of their own, 15.8% family business and 5.8% with other non-relative partners.

- **Low initial investment and with own resources**

The initial investment made by most of them (56.8%) is less than US\$ 500.00. Only 18.1% invested more than US\$ 10,000.00. 82.5% of the resources to initiate the business were of their own, and 18.1% got a loan. This reveals that there are very few credit resources available to begin a business.

- **They generate little employment**

43.3% of the businesses do not have any employee (the owner works alone), 17.5% have one employee and 31.6% have 2 to 5 employees. Only 1.2% have 20 to 49 employees This implies that the majority are small businesses.

- **Little time in operation**

27.5% of the businesses have been operating less than 1 year, 24.6% have 1 to 2 years, 18.1% have 3 to 4 years. About 67.2% have then less than 5 years in operation. 10.5% have more than 10 years in operation. This short time of operation does not allow to determine if they have been successful in their businesses.

- **They are not registered as companies**

Of the 171 existing businesses, 22.8% are registered in the Ministry of Commerce and Industries and barely 1.2% in AMPYME. On the other hand, only 14.6% of the businesses are registered as employers in the Social Security System and another 8.9% have taken some steps to register. This indicates that nearly 80% are in a condition of informality, and are own-account businesses, rather than a formal company.

In conclusion, by the number of employees and the amount of the investment, most companies are micron and of informal nature.

c) Vision as Entrepreneurs

For 67.3% of the business proprietors, their present situation is average. 26.3% indicated that it is good, and 6.4% said that it is bad. Regarding their vision for the next three years, 72.5% of the business owners mentioned that their main vision is to expand their business. 7.6% are considering to shut it down or to sell it.

d) Knowledge of the steps to open a business

76.4% of the 1,329 interviewees who do not have any business, denied to know the steps to open a business. Only 17.4% have asked for information to open their commercial establishment.

e) Knowledge on the organizations supporting the entrepreneurial management

79.0% of the interviewees do not have knowledge about organizations that support the entrepreneurial management.

f) Entrepreneurial training

Out of total interviewees, only 11.8% (177) have received some type of entrepreneurial training. The main areas of training were Attention to the Customer (45.8%), Human Relations (31.1%), Commercialization, Marketing and Computer Science (19.8%), and Accounting (13%). The main sources of this training were INAFORP (20.3%), FUNDES (15.3%), MITRADEL (7.9%), and AMPYME (4.5%). Regarding the benefits of this training, 75% said that it acquired more knowledge, 31% improved their productivity, 14% administer better their business, and 9% improved their profitability.

However, 78.9% of the interviewees showed interest in receiving some type of training to initiate and/or to improve their own business. The areas of greater interest are: "How to start up a business" (47.5%), "computer science" (33.8%), "sales" (28.5%), "commercialization" (27.1%), "English" (25.3%), "accounting" (22.8%), and "operation of industrial machine" (16.8%).

It is evident that although young people are interested to be trained, they do not know where to go. Some of them cannot pay for this training either. The majority have indicated that the training received has increased their knowledge, but it has not had a real impact on the company's productivity or profit.

g) Needs for financing

60.5% of the interviewees showed interest in receiving some type of loan to initiate and/or to improve their own business. The needed amount is lower than US\$ 5.000, as shown in the following table:

Table 4-4. Needs for Loans among the Interviewees

Rank of Loan (In Balboas)	% of the interviewees
Less than 100.....	2.1
101 to 500.....	14.3
501 to 1.000.....	19.4
1.001 to 3.000.....	23.8
3.001 to 5.000.....	18.4
5.001 to 7.000.....	6.2
7.001 to 10.000.....	5.2
More than 10.000.....	10.6
Did not respond.....	0.2

Source: Survey

h) Opinion on the educational system

For a high percentage, the educational system is oriented to the formation of wage-earners (54.9%); while the others think that this educational system promotes the entrepreneurial spirit (32.2%). 12.9% did not respond to the question.

7) Knowledge, Skills and Aptitudes

a) Knowledge that they have

Most of the interviewed people indicated that they have some knowledge. Only 5.5% said that they did not have any type of knowledge. The knowledge that they most frequently mentioned were sales management, handling of computer, complete accounting cycle and collection management. Few had knowledge that requires manual skills such as construction, repair of equipment and control of machineries.

**Table 4-5. Knowledge that the Interviewees have:
September of 2002**

Knowledge	Percentage
Sales Management	26.7
Handling of computer programs.....	26.1
Complete Accounting Cycle.....	24.1
Collection Management.....	21.3
Construction.....	17.1
Budget and Payroll.....	16.9
Repair of equipment.....	14.2
Machinery control system.....	10.9
None.....	5.5

Source: Survey

b) Abilities that they have

Most of the interviewed people indicated as their main abilities or knowledge, their ability communicate both orally or in writing, and capacity to negotiate. Nearly one third have the capacity to make reports or to use Internet and Microsoft Office. Very few have more advanced computer skills or knowledge of other languages, like English.

**Table 4-6. Abilities and Knowledge that
the Interviewees have: September 2002**

Abilities / knowledge	Percentage
Facility of oral and written expression.....	55.1
Ability to negotiate.....	42.7
Microsoft Office.....	33.9
Internet.....	29.4
To prepare reports.....	29.0
Use of specialized computer programs.....	13.2
To create Websites.....	8.5
Programming.....	6.6
Other languages.....	4.8
To set up computer networks.....	4.3
Communication technology.....	4.0
Others.....	5.3
None.....	18.3

Source: Survey

The Table shows an obvious deficiency of knowledge in computer science and foreign languages, on the part of the young people.

c) Aptitudes that they have

The most important qualities that they have are Team Work and Responsibility. Nevertheless, they recognize their lack of major abilities to be entrepreneurs such as leadership, creativity and facility to serve the customers.

**Table 4-7. Attitudes or Qualities of the Interviewees:
September 2002
(Percentage)**

Attitudes or qualities	First Importance
Team Work	38.9
Responsibility.....	26.3
Facility to attend to the customer.....	10.6
Organization.....	7.2
Creativity.....	5.4
Good bearing.....	4.9
Leadership.....	2.9
Values and Principles.....	2.3
None.....	1.1
Others.....	0.1

Source: Survey

d) Requirements asked for when seeking job

The main requirement that young people are asked for when seeking job is work experience; followed in order of importance by references and university studies. At this level, age is not so important, because they are less than 35 years old. Having their own car is not an important requirement either.

The demand for previous work experience constitutes a barrier for these youngsters to get a job, and generally it becomes a vicious cycle, because if they do not have a first opportunity, they will never get the required experience. In this sense, it is necessary that the concerned government authorities and the educational centers, both public and private, look for innovative alternatives that help unemployed youngsters and employers get closer.

Table 4-8. Main Requirements asked to Interviewees when Seeking Work: September 2002

Requirements asked when seeking work	Percentage
Years of experience.....	54.3
References.....	12.1
University studies.....	11.6
Age.....	5.0
Police record.....	4.7
Vocational or technical studies.....	4.4
Pregnancy Test.....	3.0
Own car.....	1.1
Others.....	3.5

Source: Survey

e) Elements to succeed in life

Most of the young people think that “work and study” is most important to better themselves during their lifetime. It is worth noting, however, that a high percentage only give more value to “studying”, and do not take into account the importance of working and having contacts and friends. Although studying is important, work experience and contacts are also indispensable for getting good positions and future clients in the case they decide to start their own business.

**Table 4-9. Most important aspects to better themselves in life:
September 2002**

(Percentage)

Most important aspect to succeed in life	In order of importance		
	First	Second	Third
To study and to work.....	50.6	9.7	4.7
To study only.....	37.4	10.0	7.1
To have contacts and friends.....	6.5	25.9	21.8
To work only.....	4.8	28.6	6.9
Others.....	0.5	1.0	0.7

Source: Survey

4.2 Results of the Survey of Employers

4.2.1 Characteristics of the Survey

This survey was based on the expert opinion of a group of 40 entrepreneurs. The opinions and commentaries of the entrepreneurs in charge of the micro, small, medium and large companies were included. The survey was made through interviews in depth, face to face, by using a pre-elaborated questionnaire. The period of application was between September 20, 2002 and January 15, 2003

The main objective of these interviews was to know some general opinions of the entrepreneurs in relation to the requirements and the characteristics of the human resources demanded by their companies.

The selection of the companies was made at random, including both companies of the district of San Miguelito and of the district of Panama. Among the characteristics of the sample stand out the following:

- Most of the interviewees are people who have both a vast enterprise experience and a relatively high academic level.
- Participation was obtained of companies that are engaged in a broad variety of economic activities and are legally operating.

It is important to indicate that the classification of the occupations was made using as a reference the Manual of National Classification of Occupations (2000), whereas the classification of the activities to which the companies are dedicated is based on the document "National Standard Industrial Classification of All Economic Activities", both published by the Office of the Comptroller General of the Republic.

Below we present the main findings of this survey:

1) General Information of the Companies

The companies of the interviewed people have the following characteristics:

Table 4-10. Characteristics of the Companies of the Employers Interviewed

Detail	Amount	Percentage
Total Companies	40	100.0
Location:		
District of Panama.....	30	75.0
District of San Miguelito.....	10	25.0
Economic Activity:		
Real estate, enterprise and renting activities.....	13	32.5
Wholesale and retail trade.....	11	27.5
Manufacturing.....	10	25.0
Financial establishment.....	2	5.0
Other community, social and personal services.....	2	5.0
Transport, storage and communications.....	1	2.5
Construction.....	1	2.5
Volume of annual sales (in US\$)		
Less than 150,000.....	14	35.0
From 150,001 to 1,000,000.....	16	40.0
From 1,000,001 to 2,500,000.....	7	17.5
More than 2,500,000.....	2	5.0
Not known/No respond.....	1	2.5
Number of Employees:		
From 1 to 5.....	12	30.0
From 6 to 30.....	20	50.0
From 31 to 50.....	1	2.5
More than 50.....	7	17.5
Years of operation:		
From 1 to 5.....	11	27.5
From 6 to 10.....	5	12.5
From 11 to 15.....	8	20.0
From 16 to 20.....	5	12.5
From 21 to 25.....	3	7.5
From 25 to 30.....	5	12.5
From 31 to 40.....	0	0
From 41 to 50.....	3	7.5
Formality of the Company:		
Registered in Ministry of Commerce.....	38	95.0
Registered in the Social Security Agency.....	34	85.0
Registered in AMPYME.....	8	20.0

Source: Survey

Most of the companies are in the district of Panama. The majority have less than a million-dollar yearly sales (75%) and less than 30 employees (80%), which implies that they are small companies, according to the classification of AMPYME. Most of the companies are engaged in main activities of the Panamanian economy, such as real estate, enterprise and renting activities, wholesale and retail trade, and manufacturing.

It is important to indicate that the surveyed companies belong to a wide range of specific activities. In the case of those engaged in real estate, enterprise and renting activities, there are such specific activities as design of interiors, graphical design, consultancies, publicity, computers and software, security, legal services, music and entertainment, project managers and renting of construction equipment, and others. In the commerce area are the sale of stationery, products used for lumber activities, spare parts and accessories of cars, electronic articles, dry merchandise, chickens, laboratories products and products in general. At the level of the industry, there are companies of production of foodstuffs, furniture, cardboard, plastics, and bakery equipment.

The majority are well established companies, since 60% of the surveyed companies have more than 10 years in operation. The majority conduct their activities in a formal way because they are registered in the Ministry of Commerce and Industries and in the Social Security Agency. The fact that only 20.0% are registered in AMPYME, is highlighted since it is not obligatory, but optional, for those companies interested in acceding to certain benefits offered by this institution. On the other hand, it is necessary to emphasize that the main benefits established by the law which created this organization, are exclusively for newly-established companies.

2) Characteristic of the Entrepreneurs Interviewed

The entrepreneurs interviewed have the following characteristics:

Table 4-11. Characteristics of the Employers Interviewed

Detail	Amount	Percentage
Total Interviewees.....	<u>40</u>	<u>100.0</u>
Sex:		
Men.....	26	65.0
Women.....	14	35.0
Age:		
From 20 to 29.....	4	10.0
From 30 to 39.....	13	32.5
From 40 to 49.....	15	37.5
From 50 to 59.....	8	20.0
Academic Level:		
Masters.....	7	17.5
Post-graduate.....	3	7.5
University Graduate.....	10	25.0
University non-graduate.....	16	40.0
High School.....	4	10.0
Category:		
Owner.....	19	47.5
Manager.....	11	27.5
Partner.....	7	17.5
Other.....	3	7.5
Years of being entrepreneurs:	<u>35</u>	<u>100.0</u>
From 1 to 5.....	10	28.6
From 6 to 10.....	6	17.1
From 11 to 15.....	8	22.9
From 16 to 20.....	3	8.6
From 21 to 25.....	3	8.6
From 25 to 30.....	3	8.6
From 31 to 35.....	2	5.6

Source: Survey

Approximately two third of the interviewed people are men; they are owners or partners of the company; and they are more than 40 years old. 90% have a higher education level. 68.6% have less than 15 years of experience as entrepreneurs.

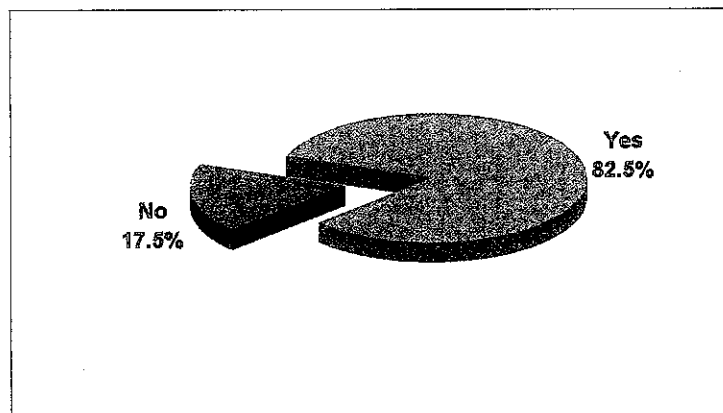
4.2.2 Analysis

1) Demand for Human Resources

a) Search for personnel

The 82.5% of the companies where the interviewee works have sought personnel between years 2000 and 2002 (see Graph 4-12).

Graph 4-12
Search of Personnel by the Employers Interviewed
Between 2000 and 2002



Source: Survey

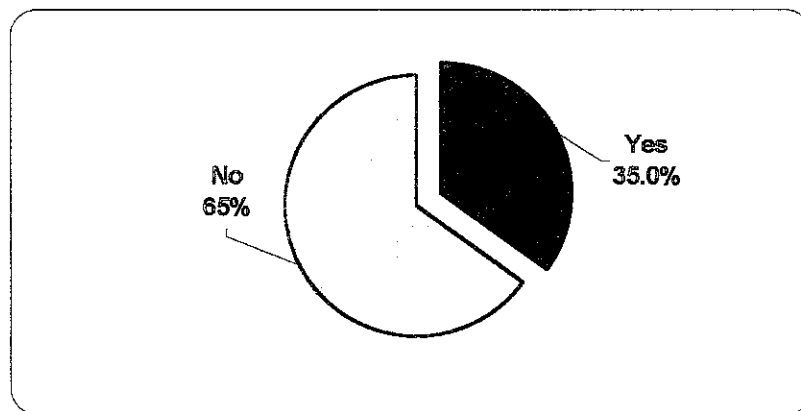
An aspect that is worth underlining is that due to the inflexibility in the labor market, the companies tend to make definite-term contracts or fire the worker once the two-month trial period ends. Because of this situation, the large number of companies seeking personnel during the last three years, cannot be considered an important finding, especially when taking into consideration the drop in the economic activity that has affected to the country during this period.

On the other hand, only 35.0% of the companies interviewed have some vacant position at the moment.

The three main reasons for which the vacancies have not been filled are related to the deficiency of the educational system that does not form the manpower required by the companies; problems of restructuring or other internal reasons of the organizations; and the difficult economic situation in the country.

In this respect, it must be pointed out that in the country there does not exist an information system on supply and demand for labor, sufficiently ample and accessible to facilitate the hiring and search of personnel. The companies that offer employment services, are of recent creation since the Ministry of Labor used to be in charge of this task. In addition, the Internet sites to find resumes, even though already existing in Panama, are not yet sufficiently developed, since not every company and unemployed have the access to these means (see Graph 4-13).

Graph 4-13
Existence of Vacant Positions in the Companies
of the Employers Interviewed



Source: Survey

50% of the interviewed people indicated that the personnel search has been difficult or bad for them; for 12.5% it has been good; whereas, 15.0% mentioned that it is average. A significant percentage (22.5%) indicated that they did not know or responded ambiguously.

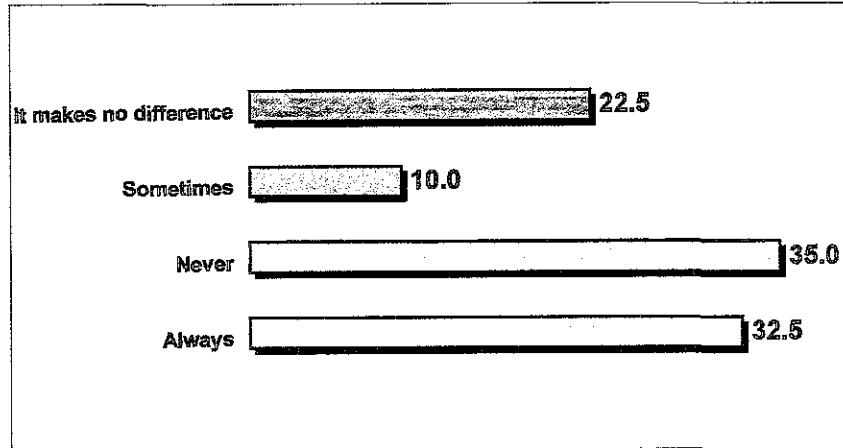
The difficulty in the search of personnel is also related to the fact that a great amount of companies do not have human resources departments and managers who dedicates most of their time to this task. Large companies contract specialized companies that are in charge of the corresponding announcement, interviews and evaluations.

The main reasons for the difficulty in the personnel search are associated with the deficiencies of the educational system, among which can be mentioned the little preparation of the people in such areas as writing, use of equipment, accounting, sales, mathematics, and the English language. In addition, they are related to the deficiency of attitudes (responsibility, team work and others) and aptitudes of young people.

In terms of the hiring of human resources taking into account the location of the company, 32.5% of the interviewed people indicated that they always try to contract the employees who reside near the company; 35.0% mentioned that they never contract personnel living nearby; 10.0% do it sometimes and for the remaining 22.5% it is indifferent to hire people who live near or far from the company (see Graph 4-14).

Graph 4-14

**Preference for contracting personnel living in the same
Area where the enterprise is located**



Source: Survey

The reluctance of the companies to contract personnel who live far from its premises, is due to the fact that when employees reside far away from the work area (10 kilometers), they have to pay the transport costs to them.

The main reasons to contract personnel who resides near the company are related to the saving of costs of transport and feeding, the punctuality, and the access to the employees in case of emergencies (for example, industrial companies which require to contact their personnel in case of emergency or disaster).

b) General occupations more demanded by the country

In the first place, the perception of the interviewed people was asked in relation to the requirements of human resources at the general level in the country; and later they were questioned on the specific necessities of the companies.

According to the entrepreneurs interviewed, the occupations required by the country, in order of priority, include professionals, technicians, services workers and salesmen, clerical workers, craftsmen and machinery operators.

c) Occupations more demanded by the companies.

The occupations that occupy the first place of importance, in the different categories are: managers or chiefs of sales and commercialization, industrial engineers, secretaries, salesmen and electricians (see Table 4-12).

This result is coincident with the demands for labor in the country. According to the Bureau of Statistics and Census, the occupations of greater demand in the Metropolitan Region of the country are: personal service and related workers, craftsmen and machinery operators, professional, technical and related workers, clerical and sales workers.

Table 4-12. More Demanded Occupations, by category

Managers or chiefs	Professional and technician	Clerical workers	Salesmen	Craftsman
Sales and commercialization (32.5%)	Industrial engineer (15%)	Secretary (52.5%)	Sales (62.5%)	Electricians (20%)
Administration and finances (22.5%)	Engineer in computer science (10%)	Clerks (12.5%)	Salesman of services (7.5%)	Bricklayer (17.5%)
General manager (22.5%)	Technician in computer science (7.5%)	Accountants and finance specialists (15.0%)	Route salesman (7.5%)	Handicrafts makers (15%)
Human resources (5%)	Other technicians (7.5%)	Messenger (5%)		Plumber (10%) Cabinetmaker (7.5%) Automotive mechanic (5%)

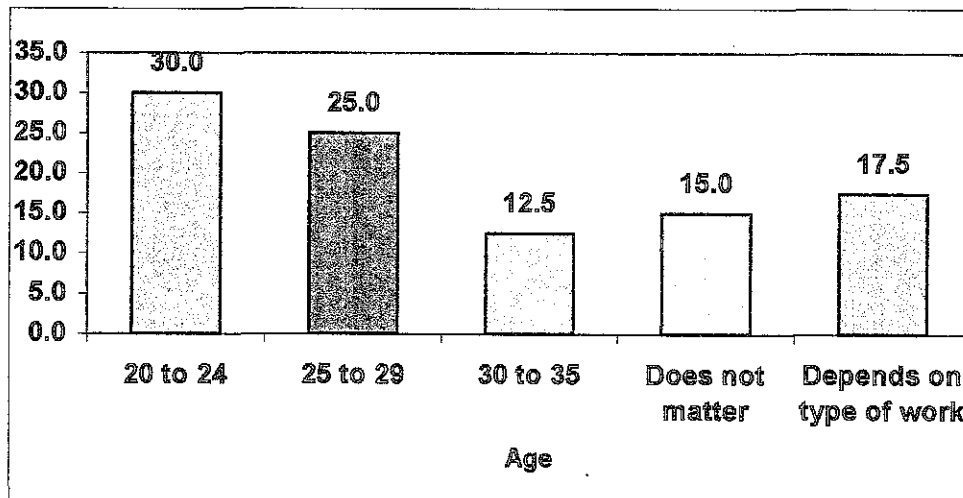
Source: Survey

between 30 and 35 years. 17.5% indicated that it depends on the type of work and only 15.0% indicated that the age is not important.

The preference to contract the young people between 20 and 29 years of age is mainly explained by the fact of the companies prefer to develop and to form their human resources in accordance with their own necessities; and that young people can learn more easily.

This answer seems to indicate a contradiction with which it is happening in the labor market, where the greater number of unemployed is located in the ages where it is indicated that there is greater hiring. However, it should be underlined that the survey is not representative, so that this information could well be reflecting only the opinion of the employers interviewed (see Graph 4-15).

Graph 4-15
Age Group that the Employers Interviewed preferred
When hiring new personnel
(Percent)



Source: Survey

e) Gender preferred when contracting personnel

32.5% of the interviewed people prefer to contract female personnel; 27.5% prefer male; 27.5% said that the gender is not important; and 12.5% indicated that it depends on the type of work.

According to the interviewed people, the preference for female workers is based on their capacity to serve customers, as well as their responsibility, honesty and stability. There is a high consensus about the areas where women are more successful, for example, sales, tourism and attention to customers.

In the case of male workers, they are basically required in areas that demand some type of physical effort and work shifts. The typical cases are those related to the construction, security guard and industrial equipment operation.

The high proportion of employers stating that they prefer to hire female personnel does not agree with what actually occurs in the labor market, where in addition to a small participation in the labor market, women face a much higher unemployment than that of men.

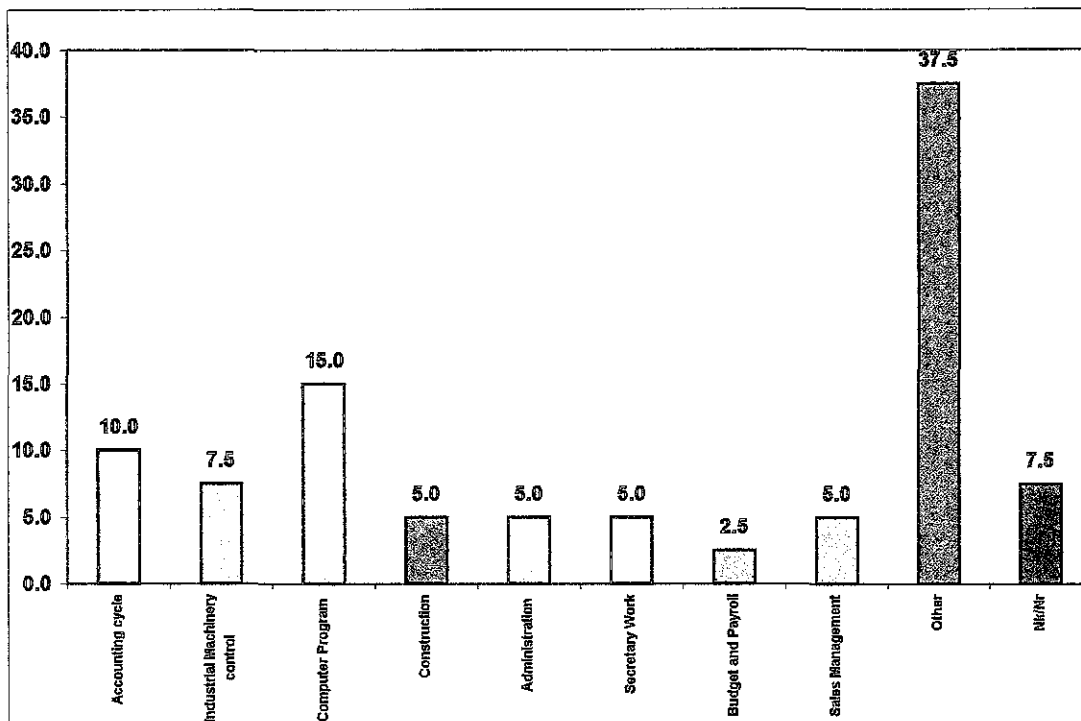
2) Knowledge, Skills and Attitudes Required

a) Knowledge

The knowledge of the human resources required by the companies, in order of importance, are in the area of computer science (15.0%), accounting (10.0%) and industrial machinery operation (7.5%). To a lesser extent there were indicated: construction (5.0%), sales

management (5.0%), administration (5.0%), secretary work (5.0%), budget and payroll (2.5%). 37.5% indicated that they require Other Knowledge; whereas, 7.5% did not know or did not respond to the question. The Other Knowledge mentioned are the following: music, mathematics, legal, environmental, cabinetmaking, air ticket office, artistic, publicity, glass-cutting, Biology, handling of arms, dressmaking and others of technical type (see Graph 4-16).

**Graph 4-16
Knowledge required by Employers Interviewed**



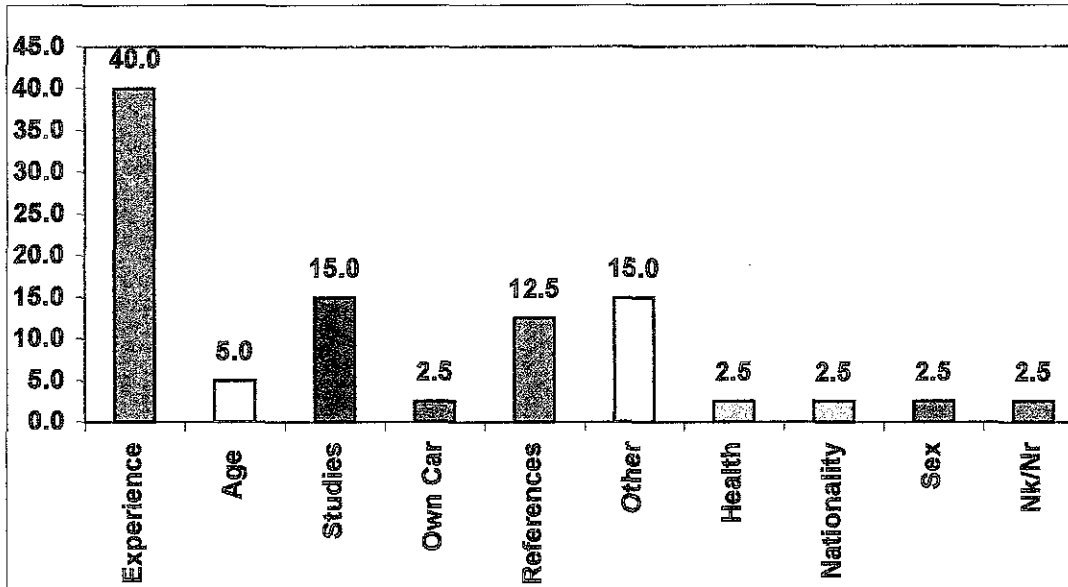
Sources: Survey

b) Requirements for hiring

The requirements that the companies ask for when contracting human resources are mainly experience (40.0%), studies (15.0%) and personal reference (12.5%). To a lesser extent, they indicated the age (5.0%), to have own car (2.5%), to have health certificate (2.5%), to be a Panamanian national (2.5%), and to be female (2.5%). 15% mentioned "other requirements" and 2.5% did not know or did not respond to the question.

The "other requirements" mentioned were the following: good bearing, technical handling and positive attitude towards work, mainly (see the Graph 4-17).

Graph 4-17
Requirements demanded from the Employers Interviewed
when hiring personnel

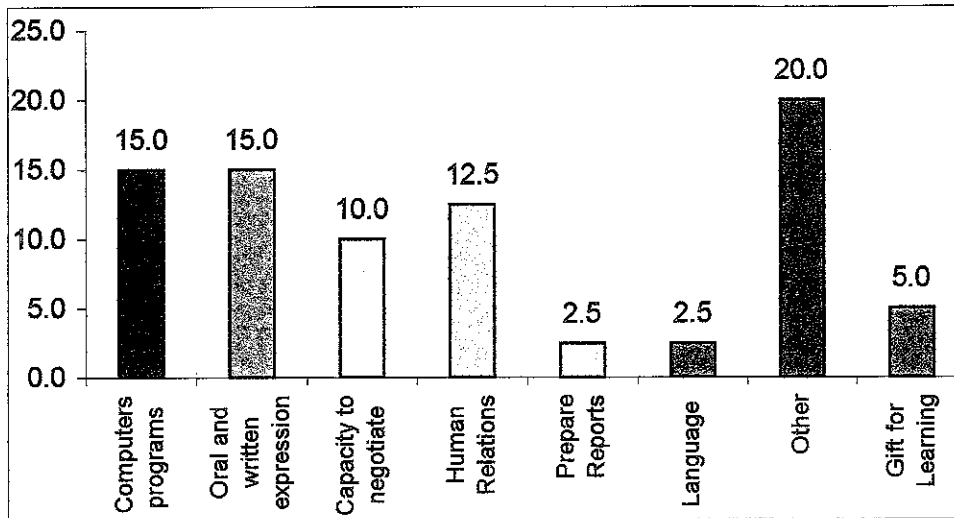


Source: Survey

c) Skills

The abilities of the human resources required by the companies, in order of importance, are mainly oral and written expression (15.0%), handling of computers (15.0%) and human relations (12.5%). Also were mentioned such abilities as the capacity to negotiate (10.0%), gift for learning (5.0%), to prepare report (2.5%), command of the English language (2.5%). "Other Abilities" represent 20.0%. These "Other Abilities" mentioned were: creativity, computation and measurement skills, cutting of materials, drawing, plan reading, dressmaking, and other abilities. 17.5% indicated that they did not know or did not respond (see the Graph 4-18).

Graph 4-18
Skills required by the Employers Interviewed
When hiring personnel

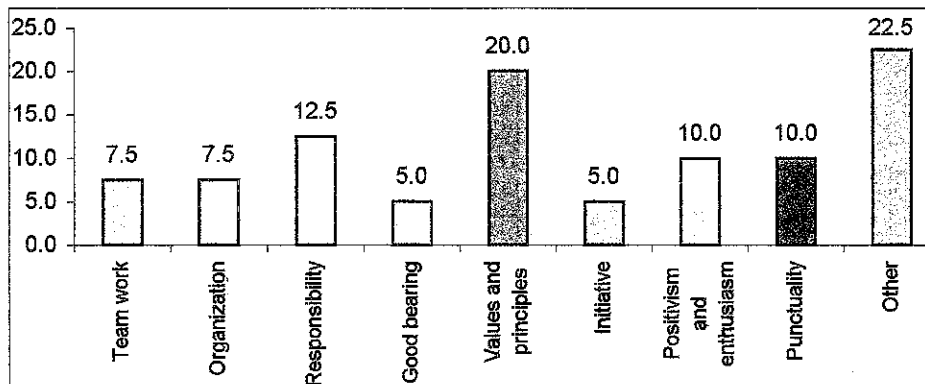


Source: Survey

d) Attitudes and Traits

The attitudes of the human resources required by the companies in order of importance, are: values and principles (20.0%), responsibility (12.5%), positivism and enthusiasm (10.0%) and punctuality (10.0%). Also were mentioned team work (7.5%), organization (7.5%), good bearing (5.0%), initiative / pro-active (5%). "Other attitudes and traits" (22.5%) were indicated such as character, good disposition to work, seriousness, kindness, and self-improvement (see Graph 4-19).

Graph 4-19
Attitudes and traits required by the Employers Interviewed
When hiring personnel



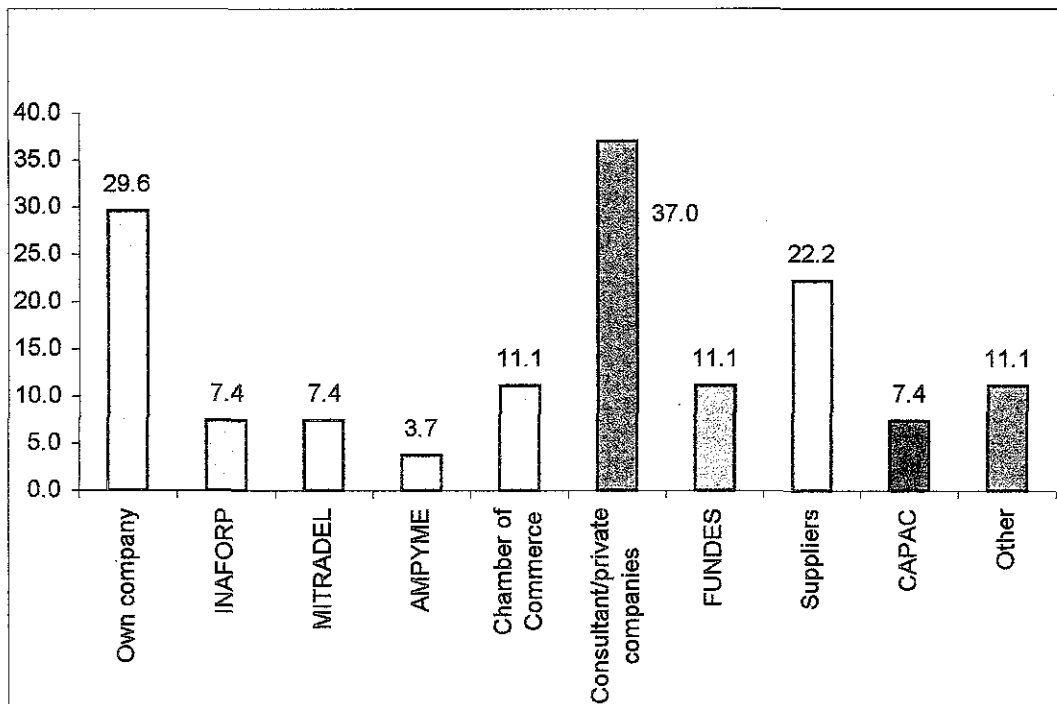
Source: Survey

4) Labor Education and Training

a) Participation of employees in seminars and courses

67.5% of the interviewed people indicated that they generally send their employees to seminars or training courses; 10.0% send them a few times and 22.5% never. The companies that send their employees to seminars and training courses, indicated that most of the courses or seminars are conducted by private companies or consultant (37.0%); some others are organized by the companies (29.6%); and others are conducted by the suppliers of product and services for their customers' employees (22.2%). To a lesser extent they indicated specific organizations, such as the Chamber of Commerce (11.1%), FUNDES (11.1%), MITRADEL (7.4%), INAFORP (7.4%), CAPAC (7.4%), AMPYME (3.7%) and "others" (11.1%) (see Graph 4-20).

Graph 4-20
Training and Education of Employees,
According to place of training



Source: Survey

The courses in which the employees participate are mainly those related to sales, service to the customer, administration, computer science (use of computer programs and programming), accounting, payroll, collections, English, marketing, inventory. Also others such as leadership, human relations and motivation were indicated.

b) Training Programs for Young People

Only 37.5% of the interviewed people know some type of training programs for young people. The training program for young people mainly known by more than half of the interviewed people is Young People of First Job (MITRADEL). It is followed by others of smaller importance conducted by INAFORP, AMPYME, UNPYME, Ministry of Education, Chamber of Commerce, o MITRADEL, University of Panama and the MINJUMNFA.

It is important to point out that of the 15 companies that indicated to know these training programs directed to young people, 20.0% of them have participated and participate at the moment in these programs; 33.3% participated sometimes, and 13.3% have never participated. 33.3% did not respond or did not know.

Most of the entrepreneurs (66.7%) who know the training programs for young people, consider that these are positive because they promote employment; they respond to the necessities of the company; and they provide the adequate tools for young people to get inserted into the labor market. However, a smaller number of entrepreneurs indicated that these programs contribute little since they are oriented to the formation of wage-earners and not of entrepreneurs. Also they mentioned that the training by itself does not solve the employment problem, but it must be complemented by reinforcing a change in the attitudes of the Panamanian young people.

c) Panamanian Educational System

80% of the interviewed people consider that the Panamanian Educative System is oriented to form wage-earners; 7.5% said that it promotes the entrepreneurial spirit; and 12.5% indicated other types of orientation.

Nearly 70.0% of the interviewed people indicated that the Panamanian educational system is not forming the human resources that the country requires.

The previous shortcoming is due to various reasons such as: there is not a balance between the supply and the demand for human resources in the country; the educational system is oriented to form wage-earners and to a lesser extent to form entrepreneurs; the existing backwardness in the educative system. Other mentioned reasons were the following: too much theory and little practice are taught; lack of vocational guidance to the students; and there is not an adequate inventory of the human resources that are required.

The recommendations arising from this survey are diverse, oriented to promote employment and the entrepreneurial spirit among young people. The most mentioned are related to the promotion of seminars and training courses directed to young people in diverse areas such as other languages (English, mainly), computer, tourism, marine careers, attention to the customer, technical areas, as well as those concerning the promotion of positive attitudes (leadership, values and principles, desire to work, honesty and others). In the same way, emphasis was made in the fact that the educational system and the different programs must be oriented to promote creativity and entrepreneurial spirit, at all levels (formal educational system from primary school to university; private organizations; governmental and nongovernmental organizations, etc.)

Also, recommendations were made in the sense that the young people should be encouraged (through seed capital) so that they can create their own companies. The Panamanian labor market must be properly evaluated to detect the areas with greater labor

demand; to promote programs such as those carried out by MITRADEL, AMPYME and FUNDES; to grant fiscal and labor incentives to the companies that hire newly-graduated young people; to give a greater vocational guidance to the students; to give educational loans with much softer conditions; to further promote the professional practice in the companies; to simplify the proceedings so that the young people can create their own company; to make the Labor Code more flexible, and to further promote technical careers.

4-3. Comparison between Supply and Demand of Employment of Young people.

In this section, it is intended to make a relation between some results of the survey applied to people aged between 18 and 35 years, and the interview in depth to entrepreneurs ^{1/}, with the purpose of obtaining elements to orient the recommendations of the present work.

According to the 2000 Census, the total population of Panama is 2,839,177, of which the 34.7% are between 15 and 34 years of age, that is, 983,777 people. Whereas the population aged 10 years and over was 2,206,868 people, of whom 1,161,612 represented the Economically Active Population (52.6%).

On the other hand, the Employed Population totalized 1,010,837 people and the Unemployed persons 150,775; therefore, the rate of unemployment was 13% in 2000. In the case of people aged 18 to 34 years, this rate is greater, that is, 16.3%.

Out of the total unemployed people of the country, those aged between 18 and 35 years of age represent 60.2%. This problem is greater among the young people of 20 to 24 years old, that represent the 22.5%, and between 25 and 29 years (15.6%). To a lesser extent, unemployment affects those aged 30 to 34 years (11%).

As pointed out by Egger (2002), there is an over-representation of the young people among the unemployed people. This author thinks that more than 74.0% of the applicants for a first job are young (15 - 24 years), but only one out of three unemployed is an applicant. ^{2/}

In the specific case of the district of San Miguelito, according to the 2000 census, the unemployment rate was 14.8%, which was equivalent to 14,066 unemployed. Of these, 68.9% corresponded to young people aged between 18 to 35 years.

^{1/} Requirements and Characteristics of the Human Resources demanded by the companies interviewed of Panama and San Miguelito, province of Panama.

^{2/} Egger Philippe. The Labor Market in Panama in the 1990's. International Labor Organization, 2001.

In the survey conducted among the young people of 18 to 35 years old, residing in the District of San Miguelito, 63.9% indicated that they do not work. This result obeys to the fact that the questionnaire was applied to young people who were in their residences and that fell within a wide range of possibilities: student, worker, entrepreneur, etc. There exist experiences in other countries where similar surveys directed to young people have been made, in which the percentage of the population interviewed that do not work is relatively high, as in the case of a recent study in Bolivia, in which the unemployed represented 73,0% of the interviewed people.^{3/}

On the other hand, at the national level, according to the Census, if the gender of the population is taken as a reference, women constitute 49.5% of the population of the country; even though they represent 33.1% of the economically-active population and 31.7% of the employed.

The results of the applied survey reflect that 66.2% of the interviewees aged between 18 and 34 years that reside in the District of San Miguelito and that work, are men; and 33.8% women. These results are almost similar to the 2000 census data, with respect to the proportion of employed in these ages by sex; therefore, in the employed population of 18 to 34 years, men represent 67.9% and women, 32.1%.

With respect to the demand for Human Resources, the great majority of the companies interviewed (65%) does not have at the present time any vacant position.

The companies that have some vacant positions have not filled it mainly for the three following reasons: they do not find trained personnel (for which they blame the deficiencies of the educational system), problems of restructuring or other internal reasons of the organizations, and the difficult economic situation affecting the country.

^{3/} For further details, see Baldivia Jose. Diagnosis of Bolivian Youth (1997).

As regards to the experience of searching for personnel, half of the entrepreneurs interviewed indicated that it has been difficult or bad, making reference again to aspects related to the deficiencies of the educational system; thus they mentioned: the little preparation of the people in such areas as writing, use of equipment, accounting, sales, mathematics, and the English language. In addition, the deficiency of attitudes (responsibility, team work and others) and aptitudes.

Nearly 70.0% of the interviewed people indicated that the Panamanian educational system is not forming the human resources that the country requires. There is not any balance between the supply and the demand for human resources in the country; the educational system is oriented to form wage-earners and to a lesser extent to form entrepreneurs; the existing backwardness in the educative system. Other mentioned reasons were the following: too much theory and little practice are taught; lack of vocational guidance to the students; and there is not an adequate inventory of the human resources that are required.

This perception regarding the difficulty to find human resources, was demonstrated in a recent study of FUNDES, in 2002 ("Opportunity for Panama: Removing the Obstacles to the Development of the PyME"), according to which 72.9 % of the companies that looked for personnel between 1999 and 2000, considered this activity difficult. Additionally, the above-mentioned research indicates that the vacant positions had not been filled mainly because of such factors as the lack of people with technical-professional skills and lack of experience, followed in order of importance by the rigidities of the labor market and the difficult economic situation.

In conclusion, the entrepreneurs interviewed in the district of San Miguelito and the city of Panama, agree with the studies that indicate the problem of the unsuitability of the labor supply to the labor profile required by the companies in the country. ^{4/}

^{4/} See, Garcia Cardoze, 1995 (Profile of the Labor Force in Panama: Needs for its Re-adjusting in the future); Alvarado Rogelio, 2001 (Political and Programs of Employment and Labor Reconversion in Activities and Regions Affected by the Commercial Opening); FUNDES Panama, 2002 (an Opportunity for Panama ...); among others.

On the other hand, entrepreneurs were asked about their perception in relation to the human resources requirements at the general level in the country, and later on, about the specific necessities of their establishments.

The entrepreneurs have the perception that the most required occupations in the country in order of importance include professionals; technicians, and services workers and salesmen in commerce and markets, mainly.

Certain coincidence exists, regarding the occupations required by their companies, indicating, in order of importance, the following: services workers and salesmen in commerce and markets; professional; clerical workers; and technicians. As expected, these requirements are in agreement with the structure of the country where commerce and services activities are predominant.

On the other hand, when analyzing the results of the surveys applied to the young people between 18 and 35 years of age, regarding **the abilities and knowledge** that they have, compared with those demanded by the entrepreneurs from the human resources that they contract, we can come out with following results:

The interviewed young people emphasized that they have knowledge in the areas of sales, handling of basic computer programs, aspects of the complete cycle of accounting, and collection management, mainly.

In relation to the abilities possessed by these interviewed young people, among the most frequently mentioned are: "ability for oral and written expression", "capacity to negotiate", the use of the Microsoft office thirdly; with similar percentage they marked the use of "Internet" and "to prepare reports".

It is pointed out that although young people indicated that they know how to use computer program, they refer to basic programs. Therefore, a low proportion indicated to have

knowledge and abilities in subjects related to more specialized technology, such as the "use of specialized programs", "creation of Web site", "programming", "to set up computer networks" and "communication technology "; as well as aspects related to the command of foreign languages. ^{5/}

On the other side, the entrepreneurs thought that the knowledge that they require more from the human resource that they contract, in order of importance, are those related to the area of computer science and the accounting and financial aspects. Regarding the abilities required by the companies, they are mainly oral and written expression, use of computers and human relations. It is evident that one of the areas that is more demanded is that related to the computer science, in which although the young people indicated to have knowledge, it was rather at the general and basic level.

When taking into account **the attitudes or qualities**, 38.9% of the interviewed young people mentioned that the main attitude or quality that they have is team work; and secondly, they indicated responsibility (26.3%). Attention should be called to the low percentage (lower than 5%) that assigned a priority to such aspects as creativity (5.4%), good bearing (4.9%), leadership (2.9%), and values and principles (2.3%).

On the other hand, the entrepreneurs interviewed, when making reference to the main attitudes and qualities that they demand from the human resources, put values and principles (20.0%) in first place; secondly, responsibility (12.5%); followed in order of importance, by the positivism and enthusiasm (10.0%) and punctuality (10.0%).

That is to say, the entrepreneurs agree with the young people on the fact that responsibility is an important attitude to hire human resources. Nevertheless, the young people give little importance to values and principles, quality that the entrepreneurs take very into account and which they consider must have the human resources that they wish to contract.

^{5/} Recent studies of the International Labor Organization (ILO) demonstrate that within the labor scope of the professionals, technicians, managers and other occupations such as secretary, receptionist, salesmen etc. they are requiring more and more the use of the English language.

Another important aspect considered was the requirements for hiring. When asking the interviewed young people on those requirements that the companies demand from them when they seek employment, more than half (54.3%) responded that the years of experience. To a lesser extent, they were requested personal reference and university studies (12.1% and 11.6%, respectively), and other requirements such as age, police record, vocational and technical studies, pregnancy test, to have automobile, etc.

In this respect, there exists a coincidence, since according to the entrepreneurs, the experience is one of the main requirements that they demand from the human resources (40.0%). In the same way they agree in that other important requirements are the studies (15.0%), and the references (12.5%).

It should be pointed out that almost 40% of the entrepreneurs said that they prefer to contract personnel between 25 and 35 years old; that is, those who, generally, already have some experience.

The previous perception is consistent with what MITRADEL stated in relation to the requirement of experience that is demanded from the Panamanian labor. According to this source, 97% of the companies require personnel with experience. ^{6/}

Evidently, the above-mentioned requirement is a limitation to accede to the labor market and strongly hits the working age population that are younger, becoming a vicious circle for this population group.

This vicious circle originated in the fact that the young people are not given the opportunity to work because of the lack of experience, but they cannot obtain that experience if they are not offered a first chance. In this sense, the programs at the high school and university levels, through which graduate students go to practice to the companies, play an important

^{6/} See MITRADEL. Statistical Compendium No.9 of January 2001.

role, because they allow young people to obtain experience and to learn while working. In some cases, these young people are contracted by the companies where they have practiced, because they managed to demonstrate their qualifications, abilities and knowledge.

Another important fact revealed by the survey of employers is that the place of residence of the young people, in this case. San Miguelito, is not a limitation to obtain employment, since the entrepreneurs in some cases only avoid to contract personnel who lives very far from the work place.

