

V. PREVIOUS STUDIES AND ACTIONS CARRIED OUT IN THE DISTRICT OF SAN MIGUELITO

5.1 Analysis of Related Studies

The rapid growth of population taken place in the San Miguelito area gave rise to the government's decision to create the district of San Miguelito during the 1970's. In addition, several studies were made, focusing on the existing problems.

It is important to stress out that no study has been made about the situation of youth in the district, since most of the research conducted mainly tackle the problems concerning housing, health and education that were demanded by the growing population in those times.

The main studies conducted on the problems in the District of San Miguelito are listed in the Table 5-1. It should be underlined that none of them refers specifically to young people. In addition, they do not analyze in depth the problems of unemployment among the young people, but they simply describe the unemployment levels. Neither have they included interviews to employers that allow to analyze the problem from the point of view of the demand for labor. In this sense, this study is the first experience on a field research that analyzes the unemployment problem, by using multiple variables.

With the purpose of analyzing the evolution of the main social and economic indicators of the district, a summary of the most important studies follows.

In 1974, ICASE carried out the work "*Diagnostic Investigation of the district of San Miguelito*", that presents a demographic analysis of the district, emphasizing aspects of health, education, housing and labor.

Table 5-1. Main Studies made in the District of San Miguelito

Name of the Study	Year	Authors, content, comments
Diagnostic investigation of the district of San Miguelito	1974	<i>Central American institute of Administration and supervision of the education (ICASE)</i> . It includes socioeconomic diagnostic, history.
Project for the Integral Urban Development of the district of San Miguelito	1977	<i>MIPPE, social, economic, cultural Aspects and of urban planning of the district.</i>
Integral Urban Development Plan of the district of San Miguelito	1977	<i>MIPPE, Development Programs and project of the district</i>
Financial and Budgetary Diagnostic of the district of San Miguelito	1979	<i>Ministry of Planning and Economic Policy (MIPPE)</i> . Budgetary analysis.
Socioeconomic study of the poor population groups, companies and entrepreneurs of the district of San Miguelito	1981	<i>CONAISA</i> , Analysis of the socioeconomic situation of the district. Project for the improvement of the groups.
Investment Program of the District of San Miguelito	1983	<i>MIPPE</i> , Public Investments Program of the district of San Miguelito.
Manual of Organization and Functions of the district of San Miguelito	1985	<i>MIPPE</i> , Organization Structure of district of San Miguelito.
Development plan for the district of San Miguelito	1987	<i>MIPPE, urban zones and urban plans, economic and social aspects of the district.</i>
General Environment Diagnostic of the district of San Miguelito	1999	<i>Ecoambiente and MEF</i> , economic, social and environmental evaluation of the district.
Manual of Organization and Functions of the district of San Miguelito	1995	<i>MIPPE</i> , Organization Structure of district of San Miguelito
Monthly cost of the Family Basic Food Basket for the City of Panama and the District of San Miguelito	2001	<i>MIPPE, monthly cost of the basic Basket in the district.</i>
International Program for the Eradication of the Child Labor	2002	<i>International Labor Organization, (ILO)</i> , sexual exploitation of children in Panama and San Miguelito.

Source: MEF, National, University of Panama, and ULACIT Libraries.

This study concluded that the workers of San Miguelito faced the following problems:

- Low levels of income.
- Development of low-remuneration activities
- Schooling level incompatible with the activity developed.
- Deficient qualification of labor.
- Insufficient work force in the area.
- 84.8% of the population worked outside the area.
- Small participation of the woman in the labor market.

In the housing area the study highlighted the existence of nearly 30% of improvised houses with crowding and promiscuity problems

Between 1985 and 1987 MIPPE elaborated *The Development Plan of the district of San Miguelito*. This study included a detailed diagnostic in the economic, social and infrastructure areas and proposed the development of social works.

In 1994, the municipality of San Miguelito, after a diagnostic, put forward the necessity to carry out *a Master Plan for the Development of the District*. The diagnostic concluded that there exist serious problems in the district exist, emphasizing the following:

- A deficient, repressive and bureaucratic municipal administration
- Lack of institutional credibility
- Unemployment
- Lack of infrastructure
- Deficiencies in the services of health
- Problems of garbage collection, potable water and equipment in the health centers.
- Malnutrition
- Precarious houses
- Family disintegration
- Lack of environmental education
- Cadastral disorganization
- Organizational deficiency of the public transport
- Lack of integration of private enterprise into social development.

In 1995, UNICEF conducted a "Socioeconomic Diagnostic of the district of San Miguelito ", emphasizing that 40% of the population were stricken by poverty, and 18% were in the indigence or extreme poverty.

In 1999, under the auspices of the Pre-investment Fund of MEF, the study on "**General Environmental Diagnostic of the District of San Miguelito** " was made. This Study presents a detail of the general situation of the district, including environmental, economic, and social aspects. It emphasized on the environmental aspect. It also pointed out unemployment as one of the most striking problems in the district where at that time unemployment rate was nearly 20%. The report revealed that the main developed activities in the district correspond to retail trade. Belisario Porras is the corregimiento with greater activity, having 41% of the total establishments in 1996. This diagnostic stressed out the following problems:

Sector	Problem	Consequence
Health	Lack of formation and information	Precocious pregnancy
Social	Social insecurity	Delinquency, mistreat to the woman and the children, generalized violence
Education	Education not in accordance with the necessities of the district	School failures, School drop outs, incapacity to compete in the labor market.
Culture	Negative influence of mass media. Absence of a formation identified with a native culture	Little conscience about the problems in the district.

It is worth noticing that most of the problems set forth almost three decades ago, where the first study was made, still persist, although there has been a major improvement in aspects related to education, health and housing. In particular, attention should be called to the relevance that at present have the violence and delinquency problems, in addition to the environmental deterioration due to the population increase and the inadequate management of solid waste

5.2 Programs Aimed to Solve the Problems of Unemployment in the District

The national government has initiated some programs aimed to solve the problems of the district, which even though are not exclusively directed to help San Miguelito, they have nationwide projects which include this district. It must be underlined that the Ministry of

Labor (MITRADEL), with the support of I.D.B., has been carrying out since 1997 several programs directed to the young people. Among them are *Training for Young people with Higher Aspirations*, directed to young people of limited resources in various districts of the country, including San Miguelito. This program focused on the unemployed with limited resources, aged between the 18 and 29 years, and are outside the educative system. By means of this program, the young people attend 250 hours of classes and carried out three months practice in a company where they can complement their training. With the signing of the Agreement between the National Government and CONEP began the program of *Young people of First Job*, that includes 80-hour training courses directed to those who wish to find a job or those who prefer to open their own business. From 1997 to 2000 this program has benefited 10.000 young people. The project *School of Enterprises* constitutes another modality developed by the program and it help in the creation of small enterprises by supporting them with training, credit and technical assistance. Up to now, about 16.000 young people at national level have been benefited by these programs of MITRADEL.

Another public institution that has been carrying out actions to support young people is the Authority for the Micro, Small and Medium Enterprise (AMPYME), institution that offers a scholarship program directed to stimulate the creation of new businesses and in this way the young person gets inserted in the productive economic activity, mainly as an entrepreneur. Similarly, it has resources as guarantees for loans to entrepreneurial of the small and medium enterprise. The programs carried out have obtained a little coverage, since they were recently created.

The National Vocational Training Institute (INAFORP) has also taken actions that have had an impact on young people. It conducts courses in the technical area, giving priority for enrolment to low-income young people, in particular those who have not finished their secondary studies.

In 1997 the number of courses organized **by** this institution was 1.051, benefiting 18.611 participants. The areas covered by **these** courses are farming, gastronomy, tailoring, handicrafts, service, cabinetmaking, **electricity**, refrigeration, computer, automotive mechanics, metal mechanics, navigation **and** fishing, commerce, teaching.

5.3 International Cooperation

There is no specific experience of **International** Organizations in support to the employment in San Miguelito.

The supports to promote employment in **the** country have two directions: On the one hand, they make reference to structural changes, since they believe that the Labor Code and its inflexibility have been one of the causes of **unemployment**.

In general, the following projects have **been** carried out to promote employment:

Project of Technical Assistance in the definition and execution of the labor policy (PAN/ECO/0019), which was developed from 1994 to 1996, with the support of the International Labor Organization (ILO). It was oriented to the definition of employment policies and programs, investigations **related** to employment and income distribution. The total amount was of US\$ 361,000. The **local** counterpart was the Ministry of Labor.

Scholarships for the Caribbean and Latin America: it took place between 1991 and 1998, with the support of USAID, for an amount of US\$ 15.000.000 with the purpose of sending technicians to study in the United States.

Introduction to the Dual Formation System, which was carried out between 1985 and 1996, with the support of the GTZ, for an amount of 7,700,000. It included the formation of young people in electricity, automotive mechanics, gastronomy, hotels. It included theoretical aspects and practice in the **companies**. The Counterpart was INAFORP.

Between 1983 and 1989 JICA collaborated with INAFORP in *the Project of Japan Panama Vocational Training Center*, that included the dispatch of Japanese experts, provision of equipment and acceptance of trainees in Japan, to establish training courses in the areas of Automotive Mechanics, Automobile Bodyworks, Electronics, Electricity, Welding and Air Conditioned. Although it was directed to the young people throughout the country, in the courses there were young participants living in the District of San Miguelito.

VI. MAIN CHALLENGES

6.1 Active policies for employment generation

The Republic of Panama must establish an effective **policy** to promote the employment of young people, which must be part of a global **strategy** of employment and income generation through economic growth, emphasizing **labor-intensive** activities and those activities related to international trade.

Essential part of this strategy consists of focusing on **youth unemployment** in the areas more affected by this problem, as it is the case of San Miguelito, and starting up a program of employment generation for that segment of the **population**. An initiative of this nature will contribute to reduce social problems that are **growing** in an alarming way in the district, specially among the population aged between ~~the~~ 18 and 35 years. In 1998, this segment of the population represented 80% of the total **persons** arrested by different crimes in the district. Drug addiction, delinquency and the **lack** of security are part of the atmosphere that is lived with in this area.

Sustained economic growth must constitute the main **target** of this policy. Among the actions to solve the unemployment of young people are ~~the~~ following:

- To improve the school attendance of the young **people**
- More effective vocational training systems
- Special labor training programs for young people
- Employment services
- Support to local initiatives of employment.
- To promote programs on self-management and **entrepreneurial** initiatives

A social agreement or dialogue must also be **promoted** including union organizations, employers trade union, and the State, directed to the **search** of opportunities so that young

people get employed. This would facilitate the changes that should be made within the framework legal in order to make labor relations more flexible.

6.2 The participation of the private enterprise, nongovernmental organizations and the society in general in the training efforts.

The predominance of a great number of young people with low schooling, who do not work or study, specially young women who cannot get access to the labor market and those who manage to get a job, must work in precarious situations, demands a joint effort of the entire Panamanian society.

Today's young people will be tomorrow's rulers; therefore, they have a strategic importance for the development of the country and education has proven a key factor for economic growth and the improvement of the living conditions of the population in general.

It is necessary to get the participation of the private enterprise in those programs directed to offer the first job opportunity to young people and to promote their training, in the understanding that this will contribute to the increase in productivity, to a reduction of delinquency and, therefore, to social peace and justice.

6.3 Search of one better insertion in the global economy: The Education, formation and qualification before the changes.

Another challenge that the country faces is the efforts to make a mass investment in education including the increase of the coverage, improvement of quality and fairness, in order to obtain a work force qualified and adapted to the necessities of constantly changing, liberalized economy.

The rapid process of economic liberalization and the introduction of new technologies have provoked a demand for abilities, knowledge and skills of the workers, emphasizing in the necessity of new abilities that allow the insertion of the manpower in the labor market.

The labor reconversion programs become an indispensable alternative to cope with this situation.

Enterprises demanding more and different qualifications give lights towards where the efforts should be directed in the matter of education. The public and private educational sector must keep pace with these changes for the purpose of developing the knowledge and abilities that require the human resources before such a great challenge as international competitiveness. The endowment of resources on the part of the State to modernize the education and the commitment on the part of the private sector to emphasize the on-the-job training is an essential measure.

Also, measures should be taken to reduce youth dropouts and to increase their skills to face a competitive world.

Schools have been incapable to renew the curricula and syllabi of their training programs and equipment to adjust to the labor market, leading to an isolation from the business sector.

Failure to make the urgent changes needed in the educational system will prevent the taking advantage of the economic liberalization and the attraction of foreign investment.

The rapid advances in the information and communication technology, the changes in the financial markets and in the enterprise strategies, the new forms of labor management and organization, promote that every day the production of goods and services depends on the knowledge and the qualifications of the labor factor.

Under this new scenario, the development of the human resources and the formation for employment, increase the possibility of obtaining and retaining a job. Nevertheless, the Panamanian educational system does not respond to the demands of the labor market, in particular, public educational centers do not have sufficient resources for the training of the

human resources. In this respect, the **survey** reflected that very few of the interviews were working in the areas for which they **had been** educated.

It is underlined that the necessity **to improve** competitiveness as a result of the trade liberalization have made it **necessary** to have new skills, changes in the curricula, improvement in quality, the **relevance and** coverage of education and training so that the workforce can adjust to the **evolution of the** labor world.

In environments like ours, it happens **that** many young people do not have the minimum education to acquire qualifications **in the** professional field, in addition that the private company dedicates few resources to **this area**.

The State must go on giving **continued** education and training to be able to get the population incorporate into the **work force**. Similarly, it must obtain that both private enterprise and individuals **commit themselves** with this training effort.

A relation must be established **between** the supply and demand for labor and to adapt the training actions to produce a supply **that can** meet the demand.

6.4 Institutional Coordination

There must be a greater **coordination** between public institutions with the purpose of avoiding duplication of actions **leading to** a little efficient use of resources. In this sense, it is necessary to reach institutional **agreements** and consensus in which the competence of the various governmental organizations **is delimited** more clearly. For example, institutions such as INAFORP, AMPYME and MITRADEL are offering training courses to the same segment of the population, **young people**, but in a separate way, which could be preventing a more integral education of them, **where** the vocational training, the development of the entrepreneurial capacity and the improvement of the labor insertion of these young people, can be combined. In the same way, MEDUC should include the promotion of the entrepreneurial spirit in its educational **syllabi** and curricula; whereas the IPACOOOP should

support the training actions, to promote cooperativism not only in the rural area but also in the urban areas where young people need to be organized in order to gain access to technical assistance and credit through this institute.

Another problem that affects the continuity and effectiveness of the programs directed to the training and employment of the young people is the rotation in the employment and the labor instability characteristic to the public institutions, whenever there is a change in the Cabinet. Trained people with experience are fired, with which a new training begins, causing to large expenditures to the State treasury and less efficiency in the services rendered by the State.

In order to strengthen the management of the AMPYME, it would be interesting to reevaluate the role played by this institution and to emphasize the areas where priority should be placed taking in consideration the functions of other institutions, and taking advantage of synergy that allow to obtain greater effectiveness. In addition, the possibility of strategic alliances with the private sector could be considered to promote income generation in the country.

6.5 Entrepreneurial Development

According to the International Labor Organization (ILO), the labor market has not been able to generate stable, quality employment, since the economic growth is taking place in sectors with low productivity, especially under the form of self-employment and micro enterprise, and in addition the young people with low socioeconomic level and with deficiencies in their education have become the most vulnerable in terms of labor, with greater probability of being unemployed or engaged in sectors with little productivity and precarious conditions. ^{1/}

^{1/} ILO, First Regional Youth Conference – Rio de Janeiro, August 18 and 19, 2002, Page. 4

In addition to training for employment, among the alternatives that it stated to reduce unemployment, can be highlighted the development of the entrepreneurial spirit. In that sense, it is necessary to support young people to initiate their own business which includes:

- Training Programs for the development of small companies, encouraging the entrepreneurial spirit.
- Design of programs for women.
- Allocation of micro credit for self-employed young people.

6.6 Search of innovating alternatives for the employment of young people

The elaboration of working contracts different from the regular ones can result in an alternative to generate employment. Part-time jobs, contracts of apprentices, and definite-term contracts, can be a flexibilization alternative that allows young population to enter the labor market. In addition, on the job training in the companies, short-term contracts, a greater flexibility in the work schedule and wages, could open the doors of the companies to young people.

6.7 The labor insertion of the poor young people, specially those who have dropped out from the educational system

A large number of young people in the district have a low schooling and are trying to get inserted in the labor market. Therefore, one of the great challenges is the education of these young people so that they can get a job and the design of alternatives that adapt the profile of a young person with little opportunities to a more and more competitive market which demands of a well-trained labor.

Public policies should be adopted focusing on particularly critical groups, but also involving a strategy for the flexibilization of the labor market, the deregulation of labor relations and the training on a trade. The cases of greater concern in the district are young

people between 15 and 24 years old, especially women, whose unemployment rate is over 40%.

It should be noted that insofar as the education level of young people has increased, so has grown the demand for labor with higher qualifications. This has reinforced the marginalization of poor young people who are out of school temporarily.

Within this context, the training for employment, scholarships and subsidies constitute an alternative that cannot be ruled out, taking into consideration that the poor groups have economic constraints to continue studying, which turns into a vicious cycle that must be cut.

6.8 Evaluation and monitoring of the employment generation programs

Although the programs to generate employment in the country do not abound, it can be highlighted the little importance placed on the monitoring and evaluation thereof, since there does not exist a systematization of the information that allows to measure the scope and real impact of the programs, so as to correct errors and to improve the programs.

It is necessary to define performance indicators for the different programs and to monitor them, so that to make the necessary correctives and to apply those that have been successful. This evaluation and monitoring must be made not only by the implementing organizations but also by independent institutions. This will allow the replication of successful programs.

6.9 Areas of Cooperation

The unemployment situation of young people in the urban areas represent a big challenge for international cooperation, since the causes of the youth unemployment vary from city to city, district to district and country to country. So far, the foreign aid has been focused

mainly on vocational training directed to meet labor demand. However, job generation by the economy is very limited. This makes it necessary to formulate programs and projects that fit every specific situation. As observed through the survey, there is no agreement between what young people study and what employers expect from them. Also, it looks like formal education prepare young people for a job, but does not develop their entrepreneurial capacity. This implies that the various needs of young people must be met, especially those with little education, those with high education level, but no experience, those in social risk; young entrepreneurs who are not succeeding in their business; those with entrepreneurial capacity but have not developed it; the necessity of strengthening formal education and institutional capacity.

The most relevant areas of cooperation identified and demanded by the country are the following:

- Training and formation of the young people: It becomes necessary to improve the quality of education and its relevance. Young people should be educated not only to get a job, but also to start up their own businesses. Young people with little formal education should be trained and education of both high school and university graduates should be complemented.
- Creation of an Information System on the Supply and Demand for Labor and vocational orientation: In Panama there is not a good orientation system on employment, wages, labor conditions, opportunities, etc., due to the lack of resources. A system must be created involving both governmental and private sectors.
- Focusing on concrete actions directed to reduce urban poverty exclusively. It is necessary and urgent to reduce the great disparities existing not only between the urban and rural areas, but within the cities and that tend to increase criminality. This is possible to obtain by promoting activities that generate productive jobs and that tend to

improve the living standards of the population. In particular, actions should be focused on young people in social risk.

- Also, programs should be conducted in order to create values among young people, to eradicate the so-called “juega vivo” (play smarty) which is practiced by many segments of the population or the bad habit of getting late without any reason.
- It is also indispensable to cooperate with the organizations involved in the promotion of employment and creation of small and medium sized enterprises, in the strengthening of institutional capacity and coordination, as well as in the creation of a legal framework encouraging the creation of enterprises and the generation of jobs.
- Deeper and more detailed studies should be also conducted on the causes and possible solutions of urban poverty, not only regarding employment, but also regarding other economic and social problems, such as education, health and housing, way of life, domestic violence, gangs, and others.

6.10 Implementation and sustainability of the study results

One of the most relevant aspects of this study is the pilot project, which should be replicated in other districts of the country and in addition, the actions started during its implementation should be continued.

In order to continue with this study, some steps have been taken, as follows:

- AMPYME has a project of support to enterprises facing difficulties. Coordination has been made so that this organization contact the small business owners and give them the necessary support to improve the conditions of their businesses.

- One of the requirements to graduate from the Universidad Latina (Latina University) is the preparation of a thesis. Starting from 2002, a consultancy work has been established as alternative requirement so that the students can do their work in an enterprise, so that they can apply their knowledge in actual cases.

Part of the commitments acquired by the University is provide the students with a list of enterprises or businessmen demanding advisory, which will be given free with the participation of the student, a professor, and a director. The Dean of the Marketing Faculty of this University has been contacted and she agrees that these enterprises and businessmen of the district of San Miguelito be advised with the participation of this University.

It is expected that this modality initiated by the Universidad Latina of Panama be replicated by other private or public universities where students need to conduct a graduation work.

The technical cooperation programs, as in this case, must be institutionalized to guarantee its permanence, continuity and impact. In order to achieve this, these programs must have a local counterpart that participate actively during the development of the studies, the commitment of the government, and budget support so that the knowledge be transferred and continue to be applied in the absence of the donor. In this concrete case, there exist other places in the country with similar unemployment problems, where the methodology applied in this study can be applied to conduct the respective research.

VII. PROJECT PROFILES

The project profiles include those arising from the field research and refer to necessities detected during this research.

They also include those high-priority projects detected by the government organizations related to employment, juvenile problems, and education. The organizations that submitted project proposals, some of which are included here, are: MINJUMNFA, INAFORP, AMPYME and MEF. It is underlined that this report only presents a brief summary of the project and that the complete document is at each institution.

Some projects present investment alternatives that can be developed by young people, especially those which needs low technical ability or knowledge and whose investment is low. They have been selected because of the fact that one of the main problems faced by these young people is the access to financing.

Also, they include some projects that can carried out specifically in other areas, such as Baru and Bocas del Toro, since the research has revealed that the rapid growth of the population and social pressure in the Metropolitan Area is a result of the migration of the population from the Interior of the country.

Project Title:	1. Formation and Vocational Training for the Employment and Entrepreneurial Management of Young People
Implementing Organization:	MINJUNMFA
Location:	District of San Miguelito
Background:	Among the major problems faced by the country is the failure of the educative system to prepare young people so that they can deal with the labor environment. This situation is particularly serious in the case of the young people who drop out of the formal education system and get inserted in the labor market in a precarious way, earning subsistence wages and without access to social security
Overall Goal:	The levels of poverty existing in the district of San Miguelito are reduced through the formation and training of young people and the promotion of the business spirit.
Specific Objectives:	<ul style="list-style-type: none"> ▪ Form and train poor young people who are out of the formal education system, on technical knowledge and human development (psycho-social, civic and cultural aspects). ▪ Encourage leadership and business spirit, among previously-trained young people, for self-employment and development of productive micro enterprises related to the training course of the project and others that have been made.
Duration:	Three (3) years
Beneficiaries:	300 young people of both sexes in the poor urban areas of the district of San Miguelito trained in occupations considered of high priority in the country and training of 50 young entrepreneurs per year
Type of cooperation:	Project
Cost:	External share: one expert and equipment (US\$ 250.000) Local share: counterpart personnel (instructors) and infrastructure.

Project Title:	2. Integrated Network of Micro-enterprises for the storing, classification and commercialization of the Recyclable Solid Waste.
Implementing Organization:	AMPYME and Municipality
Location:	District of San Miguelito
Background:	<p>The lack of culture in the handling and disposal of solid wastes, combined with the population growth, has resulting in a steady increase in the generation of the organic and inorganic wastes that threatens health in the district.</p> <p>In addition to this situation, clandestine disposal centers for urban and industrial wastes has proliferated due to the deficient garbage collection system. This entails disadvantages that can affect the preservation of the environment.</p> <p>Also, there are no specialized centers for the gathering, classification, storage and commercialization of recyclable wastes.</p>
Overall Goal:	Environment is conserved and poverty is reduced by the employment generation through the creation of an integrated network of micro-enterprises which facilitate the process of storage, classification and commercialization of recyclable wastes in San Miguelito.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To create of a network of Enterprise Modules for storing and classifying recyclable wastes (organic and inorganic) for their commercialization at the national and international market. ▪ To design and to carry out a training program directed to primary and secondary school students on the handling and treatment of the recyclable solid wastes (organic and inorganic).
Duration:	Three (3) years
Beneficiaries:	Direct: 50 young unemployed; Indirect: society in general
Type of cooperation:	Project
Cost:	External share: Expert (US\$ 150,00 a year) and equipment (US\$ 200,000) Local share: counterpart personnel and infrastructure

Project Title:	3. Program of Support to the competitiveness of the small enterprise
Implementing Organization:	AMPYME
Location:	Panama City
Background:	<p>The small companies in Panama face great problems to be able to compete, specially with the opening of the markets. The result of these problems is that a great number of these enterprises close operations, whereas those that stay operating, obtain very low profit margins.</p> <p>The project consists of creating a program of consultancy involving researchers, scholars, graduate students of various universities so that they help the entrepreneurs to identify the problems affecting their businesses in all areas, as well as to offer feasible solution alternatives.</p>
Overall Goal:	Sustainable economic growth is promoted through the sustainability of the small enterprise.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To identify problems that affect the small enterprise and to offer solutions to them. ▪ To strengthen the competitive capacity of the small enterprise ▪ To incorporate public and private universities in the search of solutions to the enterprise problems.
Duration:	Two (2) years
Beneficiaries:	Small and medium enterprise
Type of cooperation:	Expert or Senior Volunteer
Cost:	<p>External share: cost of an expert will be \$150,000 per year.</p> <p>Local share: counterpart personnel, equipment and office space</p>

Project Title:	4. Vocational Training and Business Management for Unemployed Women.
Implementing Organization:	INAFORP
Location:	District of San Miguelito
Background:	The unemployment rate of the young women in the district of San Miguelito is greater than 25%. In addition, those who manage to get inserted in the labor market, face precarious labor conditions.
Overall Goal:	Poverty and unemployment rate are reduced through the insertion of unemployed women in the labor market.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To provide vocational training and labor orientation to a group of 144 women. ▪ to facilitate business management of their own micro enterprises.
Duration:	One (1) year
Beneficiaries:	Unemployed women, particularly young women.
Type of cooperation:	Support to Project
Cost:	External share: equipment for US\$ 39,774.94 Local share: counterpart personnel (instructors) and infrastructure

Project Title:	5. Promotion of the Small Tourist Enterprise
Implementing Organization:	IPAT—
Location:	Colon
Background:	<p>Panama has given great emphasis to the development of the tourism, in particular by large companies, which have numerous fiscal incentives, mainly because all their import is tax-free, and, in addition, those zones considered of tourist interest, do not have to pay income taxes</p> <p>On the other hand, it is necessary to emphasize that the influx of tourists into the country has grown steadily over the last 5 years. In addition, the development of cruise tourism started in 2000 through the establishment of 3 ports that offer the service and many tourists have arrived in the country as a result of the incentives granted.</p> <p>The small tourist enterprise has not yet developed in Panama and only some handicraftsmen who offer their products in Colon 2000 Cruise Port and those who perform some typical dances have gotten some benefits from this tourist development. It is pointed out that in the neighbor country Costa Rica, the small enterprise has a high participation in the tourist activity.</p>
Overall Goal:	Poverty and promote employment among young people is reduced through the development of the tourist industry.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To take advantage of the opportunities that the growth of the tourism in Panama offers. ▪ To increase the management and organization capacity of the small tourist enterprise. ▪ To foster the development and competitiveness of the small tourist enterprise. ▪ To offer training and advisory ▪ To establish collaboration ties with both local and international institutions and unions concerned in the promotion and development of the small and medium tourist enterprise.
Duration:	Two (2) years
Beneficiaries:	60 participants are expected, including restaurants, bars, tourist transportation and travel agencies of the province of Colon, as well as the unions of small enterprise.
Type of cooperation:	Support to pilot project.
Cost:	<p>External share: US\$150,000.00 for training equipment and on-the-job training abroad.</p> <p>Local share: Study and organization of the program, instructors and infrastructure.</p>

Project Title:	6. Development of entrepreneurial skills in technicians trained by INAFORP
Implementing Organization:	INAFORP and AMPYME
Location:	INAFORP Training Center
Background:	<p>Every year INAFORP graduates nearly 15.000 technicians in various areas of specialization who can offer a wide range of services that are necessary at every home, company and public organization. So is the case of mechanics, plumbing, electricity, dressmaking, beauty, tailoring, cabinetmaking, construction, electromechanics, car body repair, among others.</p> <p>Nevertheless, it has been detected that the opportunities for these young people to get inserted in the labor market are little and the survey conducted has demonstrated that most of them are unemployed, so that self-employment is considered as a necessary alternative.</p>
Overall Goal:	Poverty and unemployment among young people is reduced.
Specific Objectives:	<ul style="list-style-type: none"> ▪ Train the graduates from technical careers at INAFORP on how to establish their own business. ▪ Promote the business culture among the young people through training. ▪ Provide the beneficiaries of knowledge in the administrative field so that they can establish their own companies. ▪ To emphasize in the formation of moral values ▪ To contact graduate students with financial institutions for the small enterprise so that they can carry out their business projects. ▪ Design a strategy of coordination between INAFORP and AMPYME, as well as entities lending money to the small enterprise, for the promotion of business initiatives.
Duration:	Two (2) years
Beneficiaries:	It is estimated that 100 students, both male and female, will be trained as a pilot project.
Type of cooperation:	Support to pilot project
Cost:	<p>External share: US\$30,000 in training equipment (5 computers, 5 projectors and electronic projection screen)</p> <p>Local share: Study and organization of the program, instructors and infrastructure.</p>

Project Title:	7. Advisory on the Promotion of the competitiveness of the small and medium enterprise
Implementing Organization:	AMPYME
Location:	Panama City
Background:	<p>One of the major problems faced by small and medium enterprises (S&MES) is the legal and regulatory framework, which hinders their smooth establishment and development. On the other hand, it is necessary to improve the institutional capacity of the organizations that are responsible for the promotion and development of the business environment for these enterprises.</p> <p>Moreover, the S&MES required to increase their competitiveness in order to face a more and more difficult market because of the economic opening. It is suggested that an international expert assist AMPYME in the promotion of the competitiveness of S&MES and strengthening of the institutional capacity thereof.</p>
Overall Goal:	Economic growth and industrial competitiveness is promoted through the improvement of administrative capacity of the micro, small and medium enterprise.
Specific Objectives:	<ul style="list-style-type: none"> ▪ Strengthen the institutional capacity of the state organizations responsible for the promotion of S&MES. ▪ Promote the improvement of private management. ▪ Increase the productivity of S&MES. ▪ Achieve the transfer of the know-how about business administration.
Duration:	Two (2) years
Beneficiaries:	Medium and Small Enterprise in the country
Type of cooperation:	Expert or Senior Volunteer
Cost:	<p>External share: \$150,000 per year (estimated cost of advisor)</p> <p>Local share: counterpart personnel, equipment and infrastructure</p>

Project Title:	8. Study of Support to the Elaboration of University Theses on Advisories to Micro and Small Enterprises in the District of San Miguelito.
Implementing Organization:	Universidad Latina (private university)
Location:	District of San Miguelito
Background:	<p>Micro and small enterprise in Panama face serious challenges from competition. Most enterprises are managed by a single person who generally knows the technical aspects of the activity, but he or she is not familiar with many administrative and financial aspects. This is one of the main reasons why a high proportion of these small businesses are closed during the early stages of operation. The lack of trained personnel and the little quality control characterizing these enterprises is evident. In addition, most of these entrepreneurs do not have enough resources to contract consultants or the time to attend training seminars.</p> <p>Taking advantage of the fact that most of the private universities required the submission of a final work or thesis for their students to culminate their studies and to graduate, it is suggested that graduation works be made directly on a small enterprise either in operation or about to start operating. Carrying out theoretical research works, with little or no application in the real life, constitutes a loss of resources since generally, these documents lie in the universities and they are of no use because the entrance to the libraries of the universities is limited to their students and, in addition, there exists little research culture.</p> <p>For this reason, it is necessary to conduct a study and pilot project that allow the establishment of the modality and areas in which universities can incorporate themselves into this free consultant's work.</p>
Overall Goal:	Economic growth and industrial competitiveness is promoted through the improvement of administrative capacity of the micro, small and medium enterprise.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To identify the areas in which the small enterprise requires technical assistance. ▪ To make contact with public and private universities to determine the areas of cooperation and their availability to offer the services of their students. ▪ To make agreements with the universities so that, as a part of the graduation work, the participation of the students be promoted in the solution of the administrative problems affecting small businesses. ▪ To define the monitoring mechanisms of this work. ▪ To begin a plan pilot that can be replicated nationwide.
Duration:	Three (3) years
Beneficiaries:	Micro and small enterprise
Type of cooperation:	Support to Study
Cost:	<p>External share: Approximately \$50,000 a year, for the purchase of equipment and the expenses of the research.</p> <p>Local share: specialists and infrastructure</p>

Project Title:	9. Support to the development of the Baru area
Implementing Organization:	Municipality of Baru
Location:	District of Baru
Background:	<p>The banana plantation activity occupies a place of importance as a employer of direct agricultural labor. It is estimated that in addition to 10.000 direct jobs, it generates about 40.000 indirect posts. The banana exports have fallen steadily. Between 1990 and 1994, about 21.322 boxes were exported, whereas from 1998 to 2002, exports reduced to 11.289 boxes, falling almost 50%. Similarly the average price of the banana has dropped.</p> <p>The National Government, in support to the crisis that affects the Pacific-side Banana Sector, by means of Executive Decree Number 226 of August 29, 2002 "Declares as Zones of Social and Economic Emergency the Corregimiento (subdistrict) of Divala in the District of Alanje and the Community of Finca Balsa in the Corregimiento Rodolfo Aguilar, in the district of Baru. In addition, by means of law 24 of June 4. 2001, economic support measures for US\$5,824,000.00 were approved.</p> <p>The project consists of supporting the definition of new development areas for the district, taking in consideration the difficulties faced by the banana plantation, main activity of the area. So far have been identified the development of the port activity, tourism, and assembly line, as development alternatives.</p>
Overall Goal:	Economic development of the Baru area is attained.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To elaborate project proposals compatible with the Master Development Plan for the district of Baru, presently ongoing. ▪ To support the implementation of the high-priority projects of the Plan ▪ To improve the employment situation in the area ▪ to improve income levels through the generation of jobs in new activities.
Duration:	Two (2) years
Beneficiaries:	Population in the district of Baru
Type of cooperation:	Expert or Senior Volunteer or Local Development Study
Cost:	External share: expert (US\$ 150,000) and equipment (US\$ 20,000) Local share: counterpart personnel (instructors) and infrastructure

Project Title:	10. Improvement of the Program for Young People at Social Risk in Panama
Implementing Organization:	MINJUMNFA
Location:	Districts of Panama and San Miguelito
Background:	<p>A large number of adolescents and young people is referred to the National Directorate of Youth by the Police of Minors in search of guidance and support. In some cases, the parents themselves find it difficult to handle the behavior of their children.</p> <p>Most of the adolescents with social problems come from poor families, have low education level, income constraints, and high dependency on drugs and alcohol, and in addition are affected by diseases of sexual origin.</p>
Overall Goal:	Poverty and social exclusion are reduced through the guidance of adolescents and young people between 15 and 29 years old.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To give guidance and attention to 500 adolescents in social risk situation, aged between 15 and 29 years in the district of San Miguelito. ▪ To provide training courses in such subjects as: drug prevention, self-esteem, moral values, leadership, sexual and reproductive health, undesired pregnancies, among others. ▪ To procure and to equip an office space to attend young people in risk situation ▪ To make agreements with other government and non-governmental institutions for the implementation of the program
Duration:	Two (2) years
Beneficiaries:	2,000 users among adolescents and young people, of both sexes, from 15 to 29 years old.
Type of cooperation:	Support to Project
Cost:	<p>External share: training equipment for US\$ 50,000.00</p> <p>Local share: counterpart personnel (instructors) and infrastructure</p>

Project Title:	11. Technical Assistance to organize the insertion of the environment subject in the Vocational Technical Training service
Implementing Organization:	INAFORP
Location:	Districts of Panama and San Miguelito
Background:	Environmental conservation and improvement is a task of all; nevertheless, the training programs of the institution are not directed to the preservation and improvement of the environment.
Overall Goal:	Sustainable economic growth and environmental conservation are promoted.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To determine the positive and negative impacts influencing training actions. ▪ To get environmental control measures incorporated in training actions in order to preserve the environmental quality in the <i>interacting environment</i>. ▪ To raise the community consciousness on environmental problems through the systematic education inserted in the vocational training programs ▪ To elaborate methodologies that allow to evaluate the environmental impacts of the training actions. ▪ To design methodologies to incorporate the environment subject in the methodological training of the teaching staff.
Duration:	Two (2) years
Beneficiaries:	Panamanian society in general
Type of cooperation:	Expert or Senior Volunteer
Cost:	External share: expert (US\$150,000 a year) Local share: counterpart personnel (instructors) and infrastructure

Project Title:	12. Advisory in the Formation and Training for employment.
Implementing Organization:	INAFORP in partnership with the Panamanian Association of Enterprise Executives (APEDE), and public and private educational centers
Location:	Districts of Panama and San Miguelito
Background:	<p>Nearly one-third of young people in the district of San Miguelito are unemployed, whereas a high proportion of those employed, work in the informal sector, with low remunerations, without access to social security, adding figures to the poverty that predominates in the marginal urban zones of the country.</p> <p>Research has demonstrated that there is a great resistance on the part of the employers to hire young people, among other reasons, because of the lack of experience and the generalized belief that they are not sufficiently responsible. Due to this situation, they do not have the opportunity to demonstrate their abilities.</p> <p>On the other hand, most of the educational centers give only theoretical knowledge to their students, whereas they have little or no opportunities to make practical activities, preventing them from doing their work efficiently in the companies. .</p>
Overall Goal:	Poverty is reduced through the insertion of young people into the labor market.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To train and to promote the employment of young people equipping them with greater possibilities for their insertion in the labor market. ▪ To promote the participation of the private enterprise and the civil society in general in the solution of the problem of unemployment of the young people.
Duration:	Two (2) years
Beneficiaries:	300 youngsters (between 18 and 35 years old) unemployed who require any qualification to get inserted in the labor market.
Type of cooperation:	Expert or Senior Volunteer
Cost:	<p>External share: expert (US\$ 150,000) and training equipment (to be determined)</p> <p>Local share: counterpart personnel (instructors) and infrastructure</p>

Project Title:	13. Promotion of enterprise for rendering technical service to households or companies
Implementing Organization:	MITRADEL, NAFORP
Location:	Districts of Panama and San Miguelito
Background:	<p>INAFORP and private technical schools invest a large amount of resources in the preparation of young people in technical careers. Nevertheless, the labor market does not hire this personnel since generally, the services required have the characteristic of being temporary and there is no need for permanent workers,</p> <p>On the other hand, there are difficulties on the part of households to get these services, which in case they are gotten, do not have the quality that this type of services require, because young people do not have any management experience.</p> <p>Also, the investment expenditures that are required to offer these services are low, thus being very important the responsibility of a company in relation to guaranteeing the quality of the services that they offer (beauty parlor, dressmaking, masonry, plumbing, electricity, mechanics, electromechanics)</p>
Overall Goal:	Poverty level is reduced in the country through the generation of jobs in technical services..
Specific Objectives:	<ul style="list-style-type: none"> ▪ To promote the creation of companies with graduates from INAFORP and the technical schools of the country. ▪ To centralize the supply of services to households in a responsible company in charge to hiring unemployed technicians. ▪ To offer the services to the households under the responsibility of the company. ▪ To define the connections of these companies with governmental offices for the promotion of the services rendered..
Duration:	Two (2) years
Beneficiaries:	10 enterprises per year, 50 graduates from INAFORP
Type of cooperation:	Support to Pilot Project
Cost:	<p>External share: training equipment for US\$ 50,000.00</p> <p>Local share: counterpart personnel (instructors) and infrastructure</p>

Project Title:	14. Program of Support to Youth Dropout of the School System
Implementing Organization:	INAFORP / MINJUMNFA / AMPYME / Municipality
Location:	District of San Miguelito
Background:	<p>The District of San Miguelito is presently confronting problems of poverty, unemployment, delinquency, alcoholism and drug addiction, mainly affecting the youth groups.</p> <p>A great number of young people, especially in the district of San Miguelito has quit their studies, either because of economic problems or because they have acquired new responsibilities since they got married and have children. Their low schooling makes it difficult for them to get inserted in the labor market because they do not have the minimum qualifications required by companies.</p> <p>On the other hand, in all the corregimientos of this District there exists a demand for a variety of services such as gardening, beauty parlor, recreation and sports for children, who is not satisfied timely, and that require a low investment (between US\$500 and US\$1,000); therefore, there arises a good opportunity to create and organize small companies to offer these services.</p> <p>Nevertheless, most of the unemployed young people with low education level do not have the initiative to organize themselves to render these services in the area of the District.</p> <p>This project consists of promoting the creation of new jobs through the necessary formation of small enterprises run by unemployed young people of San Miguelito, to offer various services through a main promoter with an assistant and necessary equipment.</p>
Overall Goal:	Poverty is reduced and living conditions is improved for out-of-school youth
Specific Objectives:	<ul style="list-style-type: none"> ▪ To design the program of support for school system dropout young people and to identify the participants. ▪ To train low-schooling young people of the district of San Miguelito in short-term technical careers, ▪ To create models individual entrepreneurs for rendering various services. ▪ To provide advisory on how to commercialize their services and to support them in the design of their business plans. ▪ To establish an agreement of collaboration with financial institutions and universities so that they provide financing of initial investment and advisory to the young people.
Duration:	Two (2) years
Beneficiaries:	200 young people of the District of San Miguelito. Population served.
Type of cooperation:	Support to Pilot Project
Cost:	External share: training equipment for US\$ 50,000.00 Local share: counterpart personnel (instructors) and infrastructure

Project Title:	15. Labor Training for adolescent mothers
Implementing Organization:	INAFORP
Location:	Districts of Panama and San Miguelito
Background:	Nearly 30.000 prenatal consultations in adolescents between the 10 and 19 years old are attended annually by the Ministry of Health. This premature pregnancy has resulted in family conflicts, school dropout, domestic violence, greater risk of maternal mortality, which leads to an extension of the poverty chain.
Overall Goal:	Poverty is reduced through the formation of the adolescents for work.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To make an inventory of the adolescents in the health registry, in coordination with MINSA and MINJUMNFA. ▪ To make an agreement with MINSA and MINJUMNFA for the elaboration and execution of the training shops. ▪ To implement a Plan Pilot with 50 adolescent and young mothers between 15 to 25 years old in traditional and nontraditional careers to foster their capacity and potential, so that they can be inserted in the labor market.
Duration:	One (1) year
Beneficiaries:	Adolescent mothers in the country
Type of cooperation:	Support to Pilot Project
Cost:	External share: equipment for US\$ 20,000 Local share: counterpart personnel (instructors) and infrastructure

Project Title:	16. Meeting Points or Centers for Youth
Implementing Organization:	MINJUMNFA (National Directorate of Youth)
Location:	District of San Miguelito
Background:	Through a nationwide consultation made among 5,000 teenagers within the framework of the Panamanian Youth Human Development Program financed by UNICEF in 1997, it was found that young people are in need of places or centers where they can channel their concerns and express their demands.
Overall Goal:	The active participation of teenagers and young people in the process of building a just, equitable society, is propitiated by creating spaces that encourage their integral development, behavior, attitudes, potentials and creativity.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To create and/or to adapt 5 Meeting Points so that teenagers and young people develop fundamental elements of their Projects of Life. ▪ To promote and strengthen the identities as young people of a minimum of 7,500 boys and girls, at the rate of 500 persons (at least) per Point, by developing their potentials, capacities, structuring, use of their spare time to the greatest advantage, and the increase of the youth association capacity. ▪ To promote and to sensitize the different players involved and the citizens in general about the importance of the operation of the Youth Meeting Points. ▪ To constitute management and interinstitutional working teams.
Duration:	Three (3) years
Beneficiaries:	500 young people in the District of San Miguelito
Type of cooperation:	Project
Cost:	External share: expert and equipment (US\$ 200,000 a year) Local share: counterpart personnel (instructors) and infrastructure

Project Title:	17. Program of environmental sanitation in Bocas del Toro
Implementing Organization:	Municipality of Bocas del Toro
Location:	Isla Colon, Bocas del Toro
Background:	<p>The capital of Bocas del Toro is located in an island with great tourist potential and during the last years lodging and restaurant facilities have been built in view of the increasing demand from visitors. As a result of this situation, investors coming from Europe and the United States have come and they are constructing various projects to attract tourists. This would sensibly improve the economic conditions of the province which is presently one of poorest in the country.</p> <p>However, the district faces great environmental problems, in particular the lack of an adequate solid waste management system. That is to say, a system involving the handling of wastes from the point of generation (public, domestic and industrial areas, among others), the storage of these wastes in appropriate containers, the collection of the wastes at the points of storage, in planned and organized way; and the appropriate final disposition of them</p>
Overall Goal:	The environment quality is improved in Bocas del Toro
Specific Objectives:	<ul style="list-style-type: none"> ▪ To design guidelines of performance and means necessary to obtain to the greatest valuation, recovery and recycling of the urban wastes with the purpose of incorporating as many materials as possible into the consumption cycle. ▪ To reduce the disposal of the solid wastes in the garbage dump. ▪ To identify the critical areas jointly with the district's authorities ▪ To design solid waste management systems. ▪ To strengthen, organize and train the community for the management of the solid wastes ▪ To promote initiatives that includes the separation, collection, reutilization or recycling of the specific domestic wastes. ▪ to improve income levels through the generation of jobs in new activities
Duration:	Two (2) years
Beneficiaries:	The population of the district
Type of cooperation:	Volunteers, with experience in solid waste management
Cost:	<p>External share: Volunteer and equipment and materials for the disposal of solid waste (cost according to necessity)</p> <p>Local share: counterpart personnel, office space and utilities</p>

Project Title:	18. Design of an Information System on Labor Market and Business Opportunities for young students.
Implementing Organization:	MITRADEL
Location:	Districts of Panama and San Miguelito
Background:	<p>The Panamanian educative system offers careers that are not in agreement with the demand for labor. From the beginning of this system, over 90% of the young people graduated from high school hold a sciences or commerce specialization diploma. Similarly, the universities, in particular the public ones, have maintained their educative supply with minor variations.</p> <p>When entering the universities, young people do not have any information which guide them about the areas where there is an excess or a shortage of Panamanian students. Neither do they know the demands that arise from the introduction of new technologies and the growth of new sectors.</p> <p>In Panama, there has been a major growth of tourism, as well as port and merchandise transport related activities. Nevertheless, although the private universities are offering some careers related to these new demands, there has been little change at the technical levels and leave aside the public universities accounting for more than 90% of the Panamanian students.</p> <p>It becomes necessary to gather information on the existing professionals in the country, at all levels, and to systematize it in order to provide this information at all the libraries, in addition to a website, so that all the professionals be guided, starting from the high school level. The database must also provide information on the specializations that the private enterprises are demanding.</p>
Overall Goal:	Poverty and unemployment among young people is reduced.
Specific Objectives:	<ul style="list-style-type: none"> ▪ Establish a database on the occupations most demanded by the enterprises in the district of Panama and San Miguelito ▪ Establish a database on the economic activities which are more likely to succeed. ▪ Guide young people regarding the careers with greater employment and business opportunities
Duration:	Two (2) years
Beneficiaries:	Young students in the Metropolitan Area
Type of cooperation:	Expert or Senior Volunteer
Cost:	<p>External share: \$150,000 per year (Expert) Cost of the design of a website</p> <p>Local share: counterpart personnel, office furniture and equipment, office space and administrative expenses</p>

Project Title:	19. Program of support in the fight against drug
Implementing Organization:	MINJUMNFA
Location:	Districts of Panama and San Miguelito
Background:	Drug consumption has increased to alarming levels in the country, in particular in the districts of Panama and San Miguelito. Parallel to the increase of this problem, have increased delinquency, the number of persons under arrest and family mistreatment. Several non-governmental organizations have been created aiming to reduce this problem; nevertheless, the magnitude of the problem makes it difficult to reduce drug consumption since the existing programs have little coverage.
Overall Goal:	Youth delinquency and number of persons under arrest are reduced.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To elaborate programs to pull young people out of the drug vice and to prevent them from falling into it. ▪ To reduce the levels of drug consumption in the districts of San Miguelito and Panama. ▪ To support the rehabilitation of the youth affected by drug addiction.
Duration:	Two (2) years
Beneficiaries:	Young people affected by drug addiction in the districts of Panama and San Miguelito
Type of cooperation:	Support Project
Cost:	External share: training equipment for US\$ 50,000.00 Local share: counterpart personnel (instructors) and infrastructure

Project Title:	20. Young people towards a Peace Culture.
Implementing Organization:	MINJUMNFA
Location:	Districts of Panama and San Miguelito
Background:	<p>In Panama there exists a high level of violence. The existence of youth gangs is explained by the prevalence of many risk factors among which the high consumption of drug and alcohol stands out.</p> <p>A large part of the problems affecting young people in these districts is their rejection to and distance from the formal educative system and their refuge in the marginality, the gang or the illegality (drug consumption and sale, violence, death), as a mechanism of self-protection and valuation. In addition to violence and drug addiction problems, the number of pregnant adolescents has increased, affecting their future.</p>
Overall Goal:	Poverty in the country is reduced through the incorporation of young people into productive activities within the society.
Specific Objectives:	<ul style="list-style-type: none"> ▪ To promote and strengthen youth associations under the framework of a peace culture, where tolerance and equity is strengthen and encouraged. ▪ To establish prevention training so that these associated young people become multiplying agents within their schools and their communities.
Duration:	Two (2) years
Beneficiaries:	10 high schools in Panama and San Miguelito, and 50,000 students aged between 11 and 18 years.
Type of cooperation:	Support Project
Cost:	<p>External share: training equipment for US\$ 50,000.00</p> <p>Local share: counterpart personnel (instructors) and infrastructure</p>

VIII. CONCLUSIONS AND RECOMMENDATIONS

1. The growing concern of the National Government for the increase in social problems in San Miguelito and the lack of recent studies on the level and characteristics of the unemployment of youth in the district, motivated the Japan International Cooperation Agency to finance the "Study for the Formulation of Projects of Support to the Promotion of Employment among Youth in the Metropolitan Area.
2. Taking advantage of the geographical location of Panama has favored the development of commercial and service activities around the Canal Area and population concentration in the Metropolitan Area of the Republic. As a result, there has been a larger development in this region which has originated a constant migration of people coming from the rest of the provinces, in search of better opportunities. By chance, the growth in population in the district of San Miguelito is the result of this unplanned migration process.
3. The questionnaires applied to young people and the data obtained from the Census bring out the fact that, in general terms, education, health and housing conditions of the young people interviewed in San Miguelito, are acceptable compared with the conditions in the rest of the country, since this population has benefited from living close to the capital district which concentrate economic, cultural and social activities of the country.
4. As regards the labor market, the questionnaires applied to young people denote the existence of a precarious situation reflected in the following indicators: high unemployment level (63% of the interviewees), low income, work in areas for which they did not study (70%), instability on the employment (52% with less than 2 years of work), without access to the social security (43%) in addition to a long-term unemployment (19 months on the average).

5. This situation of the labor market in San Miguelito is alarming when observed that 75% of the young people are not studying. This means that they are not being prepared to face the great challenges that entail the economic liberalization process and the need of an education that responds to the new specializations demanded by the labor market. Furthermore, the majority perceive that the education has not had any impact on the improvement of their income; therefore, they do not foresee an improvement of their conditions on this basis. On the other hand, the excuses for not continuing their studies reflect that there is a lack of consciousness on the part of youth about the necessity of continued study, especially taking into account the fact that the public university education is practically free and that there also exists access to financing for studies on the part of the Government.
6. The young people who neither study nor work are facing serious risks of social marginalization and greater chance for delinquency, as revealed by the statistics showing that in the district of San Miguelito, the larger number of persons arrested, for different reasons, are young people under 34 years old.
7. The existing unemployment levels among the young people in the District of San Miguelito deserve the definition of a specific integral policy for the reduction of unemployment among youth, with the participation of all the concerned (government, workers, business people and civil society). This implies the definition of a policy for the promotion of a sustained economic growth since studies have demonstrated that young people are more affected by the drop in the economic activity.
8. On the other side, it has been observed that there is little relationship between the curricula in educational centers, both public and private, and the requirements of the labor market. It is also important to highlight that the fact that the educative system in Panama has been offering the same high school specialty diplomas during

various decades, although there have been great changes in the socioeconomic environment around the world which have had an impact on the local economy, specially in the demand for new skills and knowledge. Also, very few young people participate in training programs, which is indicating that they are not prepared for meeting the new labor demands. This situation causes difficulties for business people to get the required trained manpower and for young people to get inserted in the labor market, which results in a low productivity and competitiveness of the economy.

9. Both young people and employers agree on the fact that the Panamanian educational system does not orient young persons to create their own company but instead, it teach them to be wage-earners. The survey conducted revealed that in the District of San Miguelito, few young people have succeeded in establishing their own business (11% of the interviewees) and those who have made it, in the main, are engaged in the informal sector, since these businesses are not legally registered and are recently established.
10. The employers interviewed indicated that their greater demand for labor is oriented towards the areas of computer science, sales, operation of industrial machines, in addition to technicians such as electrician, plumbers, bricklayers, among others. They also indicated that in addition to experience and education, their decisions for hiring takes into account the values and qualities of their future employees, such as positivism, enthusiasm and punctuality. The young people, however, gave little importance to these aspects. This suggests the necessity for value formation in youngsters through their family and the educative system.
11. The high levels of unemployment affecting young people in Panama and specifically in the district of San Miguelito, require effective measures directed to obtain a better insertion of them into the labor market. Some of these measures must be directed to improve the quality of the educative system, to promote

economic growth, **introduction** of new technologies, in addition to find mechanisms to get the **commitment** of young people in a process of continued education.

12. The vocational **training** and education must be a part of an integrated plan which meets the **constant changes** occurring in the economy. Supporting the business development is **another** element that contribute to improve the social situation of these young people.
13. It is urgent that **changes** be made in the educational system and young people be trained in those **areas** of greater demand in the labor market. For this, it is necessary to furnish young **people** with an information system on the demands for labor, aiming at orienting **the** vocational training of young people.
14. The educative **system** must permanently do research on what are the requirements of the market, **what** are the projections, what sectors are likely to grow, or tend to disappear, and in **this** way to make the required adjustments in the curricula, so as to find a balance **between** the supply and demand for labor.
15. The dropout of **young** people from the educative system is one of the greatest challenges that **must** face the State since these have few alternatives to get inserted into the labor **market** under decent conditions. The vocational training, the increase in the coverage of education in technical careers, the development of the entrepreneurial **abilities**, constitute alternative strategies that **must** be increased with the purpose of **obtaining** a substantial improvement in this segment of the population.
16. There must be a **permanent** communication between public and private educational centers and the **private** enterprises so that the changes in the syllabi and curricula adjust to requirements of the market in a more dynamic way.

17. Innovative ways must be sought in order to establish a bridge between employers and young people, by proposing alternatives. On-the-job training, short-term employment, homework system, flexibilization of labor relations, subcontracting, among others are some of these alternatives.
18. The improvement of interinstitutional coordination is essential for the country to make an efficient use of resources. The scope of competence of each institution and the coordination channels must be more clearly established. On the other side, the technical training actions must be complemented with financing, entrepreneurial spirit promotion and organization programs

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