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INSTITUTO CENTROAMERICANO DE ADMINISTRACION DE EMPRESAS
INCAE

A BUSINESS SCHOOL'S IMPACT:
THE CASE OF INCAE IN CENTRAL AMERICA

By Roger Quant *
July, 1988

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This paper addresses the strategy of INCAE¹ in Central America, and the impact that it has had on the region after 25 years. I shall refer to the Central American region, although the activities of the Institute crossed these borders quite some time ago. Likewise, I shall review only the way in which INCAE has satisfied the managerial needs of the business community, although the Institute does serve public sector needs as well.

According to the plan set out in the 1960's, INCAE's strategy to serve the business community was to prepare socially conscious managers with an excellent academic program; and to assist in the creation of a common purpose between the public and private sectors.

During the first years, this strategy concentrated on the education of competent business managers. The second part

1. For a brief description of INCAE please see Exhibit 1.

of the strategy, the management of the public/private sector interface, was not fully implemented until the 1980's.

This paper will first address the way we measure the impact of these strategies on the business community, how these have evolved over time and what are the implications from our experience.

MEASURES OF IMPACT THAT DON'T MEASURE UP

There's a long argument on how to measure impact of business education that has touched us already, now that we are entering the maturity age.²

Allow me to refer to some measures of impact that don't measure up. Two examples:

1. The campus of INCAE in Nicaragua is named for Salvadoran business leader Francisco de Sola, who headed up the founding group of our school. He also served as Chairman of our Board of Directors for almost twenty years, until his death in 1983

2. Four types of criteria most frequently applied to evaluate the effectiveness of management education, i.e. reactions criteria, learning criteria, behavioral criteria and results criteria, are discussed by John C. Ickis in "Management Education: a Review of International Experience", The World Bank, Washington D.C., April 1987, pp. 46.

Also, presiding over the central plaza of our campus in Costa Rica is a bust of this man, who was affectionately known as "don Chico".

But while "don Chico" established many businesses in Central America and other parts of the world, he never hired more than a handful of INCAE graduates.

What kind of impact can we say we've had on "don Chico's" businesses?

2. Another example: when INCAE was founded, in the decade of the sixties, the annual average growth rate of the gross domestic product of Central America was 6.0%. In the decade of the eighties, there has been an average growth rate of 0.0%. Moreover, the per capita gross domestic product since 1975 has been one of negative growth.³

Twenty five years ago, the Central American Common Market served as a promise and an example for the entire continent. Today, that promise has practically ceased to exist. On the other hand, the level of political and wartime conflict and polarization, as we know, has reached levels of worldwide repercussions. To paraphrase V.S. Naipaul:

3. See Exhibit 2, Chart 1, for statistics on Central America's GDP Growth

The country is still without great men.
 The treasury is still empty
 and the people are on the verge of despair⁴

This is the region that INCAE proposed to improve --this tiny region for which INCAE has graduated more than a thousand MBA's and trained more than forty thousand executives.⁵

What type of impact have we had on the region?

These are questions that we ask ourselves, and that others could and do legitimately ask, as a means for evaluating the achievements of the education that we have offered, an approach that relies on visible and quantitative measures. Some scholars have asked us: "Look at the condition of the region..., what good have you done?". The question has more than rethorical importance. Scholars confuse some donors, foundations and businessmen, specially in the United States. Some have complained to us: "We've been putting money down there for forty years, and nothing has happened!".

Thus, the implications of the way we measure impact can be not only of philosophical but of very practical importance.

4. V. S. Naipaul. THE RETURN OF EVA PERON, (Middlesex, England: Penguin Books, 1980), pp.95.

5. See the objectives of INCAE in Exhibit 3.

THE SHORTCOMINGS OF THE QUANTITATIVE APPROACH

The quantitative approach, statistics per se, do not give us a satisfactory answer to our evaluative questions. Despite the fact that "don Chico" did not hire many graduates of INCAE, he remains, our indisputable hero. He represents for us and many other Central Americans, a hero of private enterprise.⁶

He did much to create a vision and to improve conditions, not for his businesses, but for all businesses; not only for the private sector, but also for the public sector; not only for his country, El Salvador, but also for all of Central America. It was with this mentality that the idea of INCAE was initiated and strengthened.

"Don Chico" used to say, although his ideas were not really popular with the colleagues of his day, that there are five

6. To commemorate his death, a group of businessmen from the INCAE Foundation wrote the following salute: "The directors of the Foundation salute Don Chico's commitment to Central American progress, his dedication to the spirit of cooperation in the region, his philanthropic example in support of democratic institutions and private initiative, his vital role in the creation of INCAE, and his leadership in establishing the Foundation for Management Education to sustain and extend management education programs in the future --strengthening institutions, improving international relations and benefitting people." Foundation for Management Education in Central America, Washington D.C., 1983.

problems that take priority, that if not addressed will be critical in the twenty-first century: education, in a world greedy for progress; feeding the people, in a hungry world; conserving the environment, in an era of threatening ecological damage; the demographic problem, with a deprived and growing humankind; promoting peace, because without it all other efforts are useless... He was obviously a spiritual member of the Club of Rome.

Remaining consistent with these concerns, he dedicated himself to contributing personally, with his own funds, and his many contacts throughout the world to help resolve these five problems. INCAE, along with the Escuela Agrícola Panamericana in Honduras, known as "El Zamorano", work in the field of education; the De Sola Foundation and the Foundation "Amigos de la Tierra", ("Friends of the Earth") in the ecological field; the World Rice Club, for problems of hunger; and the Salvadorean Demographic Association to aid with population problems. Also, his many missions as negotiator and his quest for Central American unification and peace, earned him the nickname "Mr. Central America" among his friends.

To evaluate INCAE, then, one has to realize that it was not founded to be just a simple instrument to improve business administration, but one with a mission inspired by one of

it's principal mentors: a catalyst for change to create a better society in a broad sense.

In the 1960's, INCAE focussed upon the creation of a wealth of human resources, of excellent managers that would encourage productivity and growth between the nations of the region. Their mission was to substitute imports, develop the Central American Common Market and gradually create one federated nation.

Some success toward these objectives was achieved in the sixties and seventies. Commercial trade between Central Americans, with spectacular growth rates in the gross domestic product, went from \$136 million dollars in 1965 to \$1.1 billion dollars in 1980.⁷

INCAE helped this growth providing the managerial talent that was needed by the Common Market

It can be argued that it is difficult to establish a correlation between the efforts of INCAE and the progress of the Common Market during these years. Likewise, it can also be said that it is difficult to establish the same correlation with the political and economic setbacks that followed in the eighties. In 1980 the Central American

7. See Exhibit 4, Chart 2, for complete statistics on regional trade growth.

trade began to fall, finally dropping as low as to \$421 million dollars in 1986.

The variable of managerial education in the destiny of a country can be a significant factor, but never a decisive one. For example, Nicaragua had the greatest number of INCAE MBA's per square inch (as well as PhD's), and the best indexes of economic growth in the seventies. But they couldn't help that Somoza was a crook! They could have done something to that respect, but time was on the side of the Sandinistas after 20 years of political insurgency. Many factors come into play in the Central American situation, many of which are out of the sphere of control of the Central Americans. The important thing is, as we shall see later, that a business school like INCAE, by serving as a catalyst of change in a very broad sense, is also responding to the needs of the present social and political environment and helping in the process of political and economic recuperation in areas usually beyond the realm of business administration. For this reason the school is today, perhaps more than ever, a critical resource in the Central American scenario.

At our most recent graduation ceremony in June 1988, President Oscar Arias, Nobel Prize laureate, stated in his speech:

INCAE looks for answers to the challenges of our world today. It strives in particular to find solutions for the problems of this Central America that struggles between suffering and hope, that must find new paths to social and economic development.

Like President Arias, after 25 years, the majority of Central Americans perceive INCAE to be an asset on the "hope" column and not a liability on the "suffering" column.

Let us examine in detail the contributions that INCAE has made to the business community and to society in general. We shall also look at the mechanisms of interaction between the school and the business community.

INCAE'S CONTRIBUTIONS

The Visible Contributions

In numbers, the inputs made by INCAE to the region are quite adequate for the size of its economies. First, the Institute has contributed to Central America, in 20 years, a thousand MBA's, trained in a rigorous program of two years' duration in residence.⁸

8. This program was inspired in format, methodology, and level of excellence by our mentor, the Harvard Business

The annual number of graduates of INCAE (80) in relation to the population of the area, 26 million, is equivalent to the number of graduates of the Harvard Business School (800) in relation to the population of the United States, 241.5 million.

Second, INCAE's executive programs have given short training seminars to some 40,000 executives in all functional areas of administration, in business strategy and many other areas and skills that were introduced by the Institute for the first time in the region, e.g. agroindustry, managing financial institutions, managing inflation, exports management, managing social change and the management of the business/public sector interface.⁹

Our school introduced for the first time in the region, the knowledge of business management and the study of the Central American company by using the case method and local cases written by our faculty. All in all, we have written more than 2.000 cases and technical notes based on local experience.

School. The program of INCAE to some observers such as Alan Coleman, Dean of Southern Methodist University, is "a luxury that you don't know if Central America should pay".

9. See Statistics of INCAE Graduates, Exhibit 5, Table 1.

Mechanisms of Interaction with the Private Sector

All of INCAE's programs have an academic design and specific content that attempts to meet one principal criterion: relevance.

How can we come to know what is relevant to the needs of the Central American manager? How do we communicate with the business community?

Well, on one hand, businessmen make up part of the formal structure of the Institute. On the other hand, we also follow the invisible hand of the market.

As a formal structure, we have a national committee in every country of the region, 95% of which is made up of businessmen, managers and alumni.¹⁰ These committees, which meet no less than twice a month, are those who tell us if they think the curricula for our in-residence programs are relevant and what type of executive programs are needed in each country. These committees elect one of their members to integrate the Institute's Board of Directors, each representing his country. Through this system, these representatives have the ability to consult and are given true resolution power. The Chairman of INCAE's Board is also a businessman, but he does not represent any one

10. See Exhibit 6, Chart 3, Organization Chart of INCAE.

country in particular. This way he represents a moderating factor that strives for general interest.

Within the formal structure, we also have the Foundation for Management Education in Central America, located in Washington D.C.; whose directors for the most part are business leaders from Central America and the United States. Their function is to maintain an open dialogue with the large corporations represented in the area. Through the process of soliciting gifts for our endowment fund, they also listen to what is needed from us in managerial training.

These are the formal channels of interaction with the business community, but the informal channels, the invisible hand, is even more important.

There is a great amount of exchange between faculty and managers in each program we offer. These informal conversations give us information on what is needed and provide us with feedback on what we do. There is also a formal information gathering procedure on these occasions. The participants fill out suggestion and feedback sheets, but the casual conversation that takes place is usually more significant.

Our executive programs try faithfully to respond to the needs of the market. If a seminar does not have enough participants, we discontinue it. The day that we stop doing it this way, says our Rector, "we have become a dinosaur".

The Not So Tangible Contributions. The Real Impact.

I have discussed the topic of the impact of the school, and ways to measure it with several faculty colleagues, graduates and managers.

At the macro level, most have agreed that it is too soon to attribute any profound changes in the quality of life of the region nor even in the management of businesses to the efforts of INCAE. Graduates from the first graduating classes of INCAE are just now arriving at positions with real decision power, in the private organizations as well as in the public sector. The effect of their decisions will be felt, they say, but it is still too early.

There are, nevertheless, some colleagues of the pessimistic opinion that our graduates have not influenced a great deal in achieving better outcomes in Central America, because we have insisted more on technical skills than in attitudes and behavior directed towards the changes needed in the region: a mystique for productivity and international competitiveness in private business; enlightened public

policies to support that mystique; a higher sense of equality and justice; a better capacity for dialogue and cooperation in society.¹¹

At the micro level --the business level-- I have been shown some significant achievements. First of all, INCAE has made way for the change from family management to professional management, a necessary step for growth and diversification.

There are many examples of this change, and perhaps the most dramatic is that of El Salvador, where the change was forced by circumstances and meant many companies survival. At the beginning of this decade, the political violence forced many Salvadoran business families to emigrate. Their companies and assets were in many cases, put under the administration of professional graduates of INCAE. --"The companies that did not get organized at that time went bankrupt", said one graduate who manages a large department store chain whose owners had emigrated. His bosses, as many others, have since returned to El Salvador, but our graduates have remained in charge of their businesses.

Incidentally, speaking out against the pessimistic view, some of my interviewees offer proof that INCAE has

11. "Changes in the attitudes and behavior of participants are much harder to measure than is their level of satisfaction, and evaluations that attempt to do so are seldom undertaken", John C. Ickis, "Management Education: A Review of International Experience", The World Bank, Washington, D.C., April 1987, pp. 47.

influenced positively the attitudes and behavior of the graduates. For them, the proof is their high level of loyalty to the region. Less than ten percent of the graduates of the Institute have emigrated from the region. While others emigrate, they remain. While there is little hope and opportunity, they continue to fight.

Another positive result at the micro level, is to some graduates what they call "networking". Across thirteen borders, they have come to speak the same language. Many joint ventures and business deals have come from "networking". The INCAE bond has been vital to counteract the dividing forces and lack of cooperation among countries and groups in Central America.

Others I have interviewed pointed out that you can find now in the region companies that are not only well managed, but can also serve as model of the private sector Central America needs. There are --they say-- in Central America today a select group of exporting companies that are truly aggressive models of organization and success in foreign markets. Businesses that, by chance or design, are being lead by INCAE graduates. They give you two examples: Hilasal in El Salvador, whose fashion towel line is leader in the international market. Both towels design and marketing strategy are genuinely salvadoran! Another case is that of INCESA Standard of Costa Rica, a manufacturer of

sanitary porcelain, who with its "just-in-time" production system has reached international quality standards needed to successfully compete in the United States and Canada. An example of a successful adaptation of Japanese manufacturing technology to the Latin American environment.

The impact of these graduates has been felt not only by their companies, but also by their countries. Their companies are bringing in the scarcest resource in Central America today: hard currency. They are showing the validity of a strategy that can bring greater stability and growth to the region: the strategy of exporting to world markets.

Contributions from the Crisis Era

Investors look for safe and profitable opportunities. Since the late seventies, they have been given neither in Central America. In the sixties and the seventies the principal worry was profitability. In the eighties stability and security became issues in addition to profitability. INCAE has been helping the private sector to understand this new scenario, and to manage it well, in economic as well as political aspects.

While the region continued to lose its political, economic, and social stability, businessmen and managers lost even

more control of the situation. They had never before known inflation, nor the constant devaluation of their currencies, nor such great political polarization, nor how to live and negotiate with a political regime so totally opposed to private sector interests, such as that of Nicaragua.

Consequently, INCAE has modified the content of its curricula and the scope of its executive programs to aid the business community manage these new situations.

In the good old times, it was not as obvious as it is today, in these times of contradiction, that the success of businesses depends not only on sound technical execution by the manager, nor on opportunities in the market, but also on a congruent relationship of public policy with the goals of business. Thus, influencing public policy is a new political function for the businessman. While it is stated as an initial objective of our institution, --"learning to manage the government/private sector interface"-- the need to practice it has never been so strongly felt as in these years of crisis.

Reacting promptly to these needs, we introduced in our programs the learning of techniques for macroeconomic and political analysis. After a while we realized we needed more breadth and depth than a couple of courses and executive seminars, and so we were led to offering a new

residential program: a Master's in Business Economics. This two year program is designed to train economists with a knowledge of business administration, or managers with a knowledge of economy. A kind of hybrid that in public office will know how his policies will impact businesses. A professional, who being finance manager or staff advisor of a company, would know how to counteract the threats of a changing macroeconomy. A professional that will know how to maintain dialogue with his colleagues in governmental institutions.

Along the political dimension, we have achieved a significant feat that very few institutions of the region -- educational or not-- have been able to match: bringing together all sectors of our troubled countries to speak about national strategies and ways out of the crisis. These "dialogue seminars" are attended by so appart segments of our society as government, private business, political opposition, the military, the church, labor unions, cooperatives and other social sectors...

These seminars have been crucial to maintaining communication between the Central American manager and other sectors and demonstrate a power of convocation very few institutions have in our region. In this respect INCAE is, as I mentioned, serving the business community well beyond the realm of business administration.

Thus, needs have changed so much in this decade that INCAE has likewise had to change its nature and size. Today, our strategy has become very broad, encompassing not only the private and public sectors, but all the key sectors vital to development including the improvement of business skills for small and medium sized companies, members of cooperative organizations, executives and directors of volunteer organizations for development, which all together are playing a more and more important role in our economies and in the national and regional political balance.

THE FUTURE

We believe, however, that dialogue and better understanding of the economy is not enough if there is not a genuine interest to cooperate and to improve what we have, if there's not a change in our behavior towards cooperation. Thus, our new Dean (referred to as Rector in the text), Dr. Melvyn R. Copen, wants to take it a step further: orienting our role towards the encouragement of cooperation in Central America. He affirms that,

...the main obstacle that inhibits economic development in the region is the zero-sum mentality that seems to cross all sectors --that is to say, the attitude that whatever is

beneficial for me is, by definition, harmful for someone else. All too often, other's efforts are undermined and overshadowed. These symptoms can be found everywhere and they can be seen, for instance, in the fractioning of political parties and business chambers of the region. In many countries this leaves only one group with coherence and unity --and therefore, power-- the military!¹²

The theme of cooperation has been incorporated by Dr. Copen and the Faculty into INCAE's most recent "Mission Statement".¹³ Although we do not know yet how exactly we are going to make operational a factor of behavior modification towards cooperation in every program.

Another two ideas that the new Rector and the Faculty are emphasizing are related to impact. One is encouraging and stimulating research, in order to better know the determining phenomena of the region. The other is precisely emphasis on impact. We have proposed that every program of INCAE have a factor of measurement of impact. We do not know yet what kind of measures we could use, but a

12. Speech given at the June 1988 INCAE Graduation.

13. See Exhibit 7. Transcript of the "Mission Statement" approved by the Board of Directors in June 1988.

discussion such as this could bring about a little more thought on the topic.

REVIEW AND IMPLICATIONS

Review

1. INCAE's strategy of service to the business community of Central America has been conceived in a very broad sense, not tied to specific sectors or programs but to the creation of better conditions for development.
2. This strategy has been developed over time in conjunction to the changes in the environment of the region.
3. Formal and non-structured exchange with businessmen and community leaders provides for a continual adaptation to mutual expectations.
4. Measuring the impact of INCAE's strategy, as is the measurement of any educational effort with a wide vision and very high goals, is very difficult. This is true specially concerning qualitative terms. Is the prestige of the school a measurement? How does one measure it? How can we measure the graduates effectiveness when there are public policies that

influence them in positive and negative ways?¹⁴ How and when do we measure the historical impact of one institution on a society? How do we establish a point of comparison? Who can say what the region would be like without INCAE?

IMPLICATIONS

1. INCAE's Central American experience makes evident that if one wants to strengthen the private sector in Latin America and the Caribbean it's not sufficient to concentrate one's efforts on the private sector alone. Things are too interrelated. It's necessary to build bridges and take a more balanced approach. As our Rector uses to say:

A fish can't survive if there is no oxygen in the water. Therefore it's necessary to look at the water as well as the fish if you want a positive result.

14. "If the effectiveness of management education is defined as 'contributing to more effective business performance' as measured by sales volumes, profit levels, or increased competitiveness in world markets, then it is difficult to demonstrate because there are many other factors that influence performance", John C. Ickis, "Management Education: A Review of International Experience", The World Bank, Washington, D.C., April 1987, pp.45.

2. A crucial necessity in our countries is to support schools of excellence. Thus, an agreement between scholars, business leaders and donating agencies on what constitutes impact is of great importance. We also need a good research base and a good planning system so that we can best chart our own course, rather than rely on the particular viewpoints of funding organizations, i.e. developing a coherent strategy.
3. We need not only measure impact, but to make decisions on this assesment, so we don't spread ourselves too thin and we maximize effective utilization of resources, e.g. training other trainers, an avenue INCAE is now expanding.
4. If we are going to change external behavior patterns, we need to start inside (e.g. building teamwork, modification of a zero sum student grading process).
5. In order to make impact on the environment, helping to build bridges, it is important to be politically neutral. How to stay politically neutral in a polarized environment is a problem that the school has to resolve in every decision it takes.
6. Finally, a business school's impact serving industry by offering just trining in business administration is

probably easy to measure quantitatively at the micro level. A broader impact on society would be more difficult to see and would require taking a more risky strategy and making more investments in the future.

The second choice --taken by INCAE-- is harder, but in the long run more rewarding.

Thank you.

THE CENTRAL AMERICAN INSTITUTE OF
BUSINESS ADMINISTRATION

The Institute

Acting as a catalyst for economic and social development in Latin America, INCAE is a major research and teaching center that addresses the need for the comprehensive managerial education of leaders to enable them to meet the region's development needs. For many years, INCAE has been the leading institution for developing leadership talent in the private and public sectors of Latin America. It offers the best hope for social mobility and economic improvement in the region.

INCAE is a private, non-profit, multinational graduate school of management with campuses in Costa Rica and Nicaragua. Today, it serves as an institutional model for management education in the developing world and an intellectual and academic source of management practices. Its activities are guided by four basic principles:

- Academic excellence similar to that offered by the best North American and European schools;
- Relevance to the particular problems faced by practitioners in the Latin American environment;
- Commitment to address the most critical issues related to the political, social and economic development of the region; and
- Dedication to enhance, within its constituencies, the social awareness needed to produce agents for societal change.

INCAE focuses applied research on fundamental managerial and developmental problems. It supports effective inter-sectorial dialogues to build policy frameworks which stimulate social and economic progress. In so doing, it utilizes its autonomy and flexibility, its network of over 40,000 program participants, and its experience of more than twenty years in the study of the problems of developing countries.

In the 1960's and 1970's, INCAE's orientation was focused on the needs of the Central American Common Market. In 1980, the institutional strategy was revised. New programs were developed; educational and research activities were expanded to include the public sector; and the geographic scope was extended to South America and the Caribbean. Presently, INCAE is an active participant in regional development, providing management technology to such organizations as government agencies, cooperatives, universities and non-profit organizations, in addition to business firms of all sizes.

INCAE's strategy for the coming years, addressing emerging needs in the region, envisions the institution taking an even more active role in stimulating economic development. It encompasses major teaching and research in Business Administration, in Development Management and in Policy Formulation. It assumes a broader, multi-sectorial approach at all levels of responsibility within the organizations served.

Teaching Programs

More than 40,000 men and women from throughout the hemisphere have participated in INCAE's three-day to six-week executive seminars. Subjects include, among others, advanced and functional areas of management, banking, agribusiness, export management, public policy, and energy resource management. These people form the managerial cadres in thousands of private and public enterprises, cooperatives, government agencies and small-and-large sized companies throughout Central and South America.

Participants in the dialogue programs offered by INCAE in Panama, Costa Rica, El Salvador, Honduras and Guatemala, in the last few years have included the Presidents of the five Republics, their Cabinets, private enterprise leaders, and representatives of political parties, the Church, trade unions and the armed forces. These programs focus on creating better understanding within the various groups of their interrelated roles in the process of economic development.

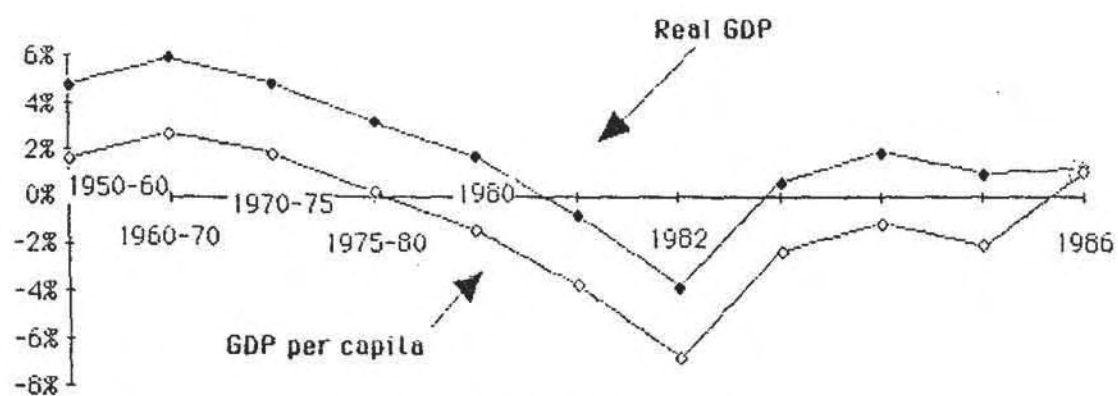
Recent additions to INCAE's residential programs include the one-year graduate Functional Administration Program (PAF) which is held on the Nicaraguan Campus, the one-year Bank Administration Program (PAB) held in Costa Rica; and the two-year Masters in Business Economics (MEE) Program, also conducted in Costa Rica.

The oldest and core residential program, the Masters in Business Administration (MAE), is conducted in Costa Rica. The 1,200 graduates of this program come from fifteen Latin American countries as well as from the United States and Europe. More than fifty percent of these alumni serve as general managers in the region's large and medium-sized companies. Others serve as Ministers in governments, as directors of public institutions, and as presidents of business chambers.

EXHIBIT 2

CHART 1

CENTRAL AMERICA COMMON MARKET
GROWTH OF G. D. P.



Source: Centroamérica, la crisis en cifras. FLACSO-IICA.
Statistical Yearbook. ECLAC

EXHIBIT 3

INCAE OBJECTIVES

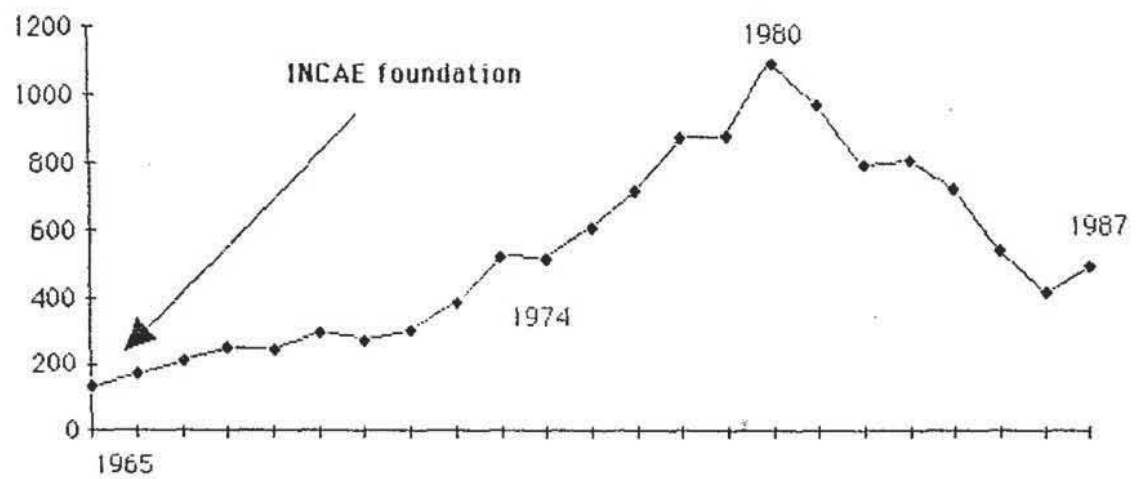
Today, the objectives of the Institute are as follows:

1. To contribute to the rapid development of an appreciable number of socially conscious, highly qualified managers and business economists who will provide innovative, responsible and efficient leadership for institutions in both the private and public sectors of Central America and other Latin American countries, and who will be able to contribute significantly to rapid economic development and social changes.
2. To create a greater sense of common purpose between the leaders of public and private sectors, providing a better understanding of the mechanisms necessary to manage the interplay between the two in promoting social and economic well-being within the framework of free societies.
3. To enhance managerial skills and capacity in selected areas of activity which are key to social and economic development in the region.
4. To assist the process of building a management development infrastructure in Latin America through joint efforts with other educational and professional institutions.
5. To support the development of creative mechanisms to build cooperation in the field of economic development among the nations of the region.

EXHIBIT 4

CHART 2

CENTRAL AMERICA TRADE
- US\$ Million -



Source: SIECA

EXHIBIT 5

TABLE 1

Participants in INCAE Programs

1964-1987
(Graduates)

COUNTRY	MASTER	P.A.F.	P.A.B.	P.A.D.B.	P.D.U.	P.A.G.	SEMINARS
GUATEMALA	129	14	1	20	25	177	7301
EL SALVADOR	155	18	14	45	17	242	6123
HONDURAS	132	13	10	24	21	239	3635
NICARAGUA	308	226	10	8		576	8265
COSTA RICA	207	15	211	41	21	404	8366
PANAMA	78	6		4	16	145	2034
ECUADOR	31	9		17		200	2979
OTHERS	121	4	2	29	3	294	707
TOTALS	1161	305	248	188	103	2277	39410

* NOTE: 10 Advanced Management Programs (P.A.G.), although they were offered outside of Central America: Colombia (2), Dominican Republic (2), Ecuador (4), and Mexico (2), have also been taken into account. Other countries that have taken part include: the U.S.A., Paraguay, Brazil, Venezuela, Chile, Peru, and Bolivia.

MASTER: Master's Program in Business Administration, 2 years in residence.
P.A.F.: Program of Functional Administration, 1 year in residence.
P.A.B.: Program in Bank Administration, 1 year.
P.A.D.B.: Program of Advanced Bank Management, 2 weeks in Miami.
P.D.U.: Latin American Teacher's Program, 6 weeks in residence.
P.A.G.: Advanced Management Program, 2 weeks in Residence.

EXHIBIT 6

INCAE ORGANIZATION CHART

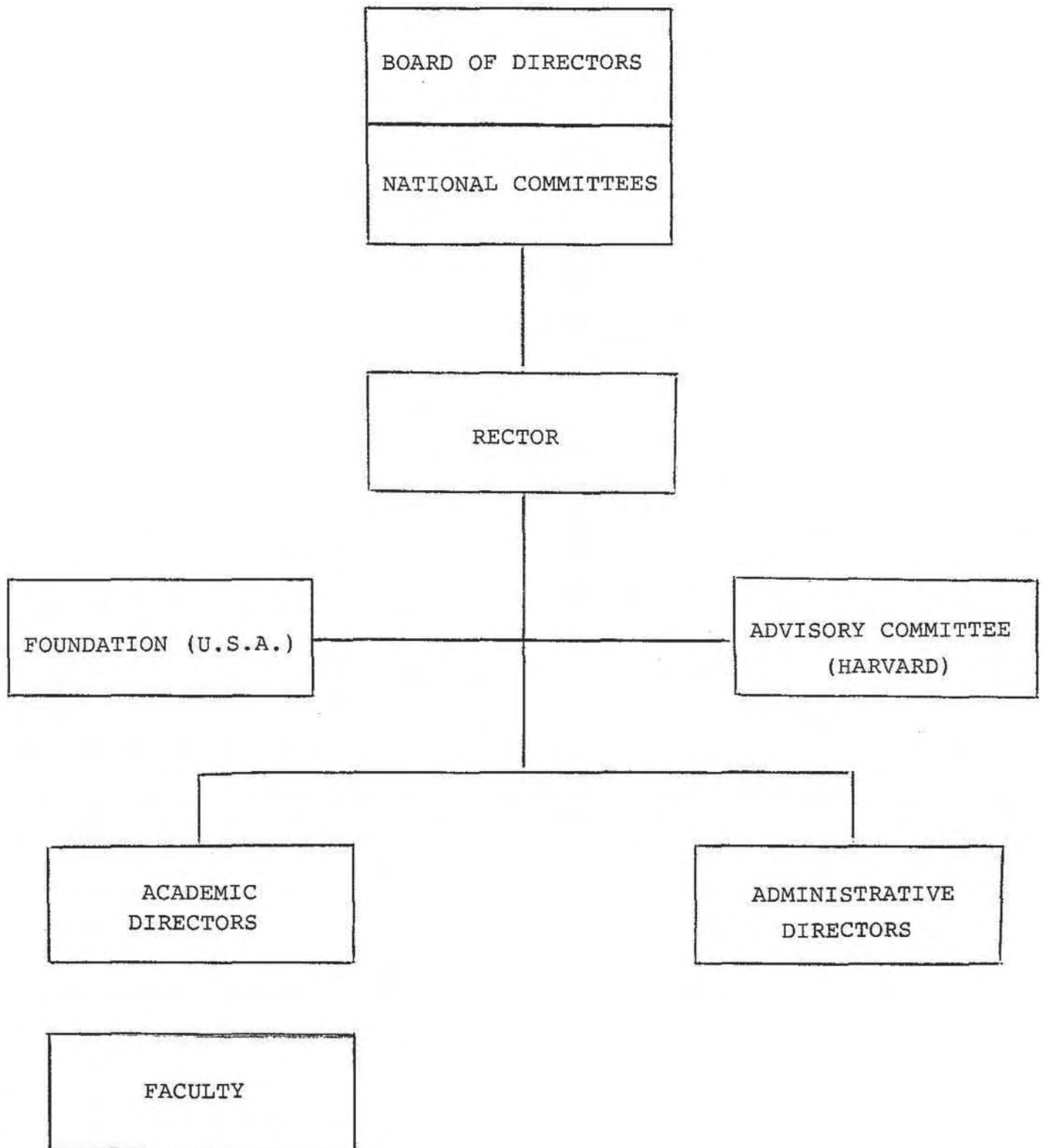


EXHIBIT 7

INCAE'S MISSION STATEMENT

Actively encourage the integral development of the countries it serves, training leaders in key sectors via improvements in practices, attitudes, and values, by:

- a) Research, training and the spreading of managerial concepts and techniques,
- b) Strengthening the analytical capacity and understanding of the economical, social and political phenomena,
- c) Encouraging understanding, dialogue, and cooperation among people, sectors and countries.

INCAE