

**SCHOLARSHIP PROGRAM FOR MASTER'S DEGREE TRAINING IN ECONOMICS:  
Specialization in Economic and Social Policies at the  
National University of Tucumán**

(TC-95-07-45-3-RG)

**EXECUTIVE SUMMARY**

**REQUESTER:** National University of Tucumán (UNT)

**EXECUTING AGENCY:** National University of Tucumán (UNT)

**BENEFICIARIES:** Member countries of the Bank

**FINANCING:**

IDB (FSO-local currency):	US\$1,100,000 (FSO)
Local counterpart:	US\$1,500,000
Total:	US\$2,600,000

**TERMS:**

Execution period:	4 years
Disbursement period:	4 1/2 years

**ENVIRONMENTAL CLASSIFICATION:** The Environment Committee, at its meeting of December 21, 1995, classified this as a Category II operation.

**OBJECTIVES:** The objective of the program is to support the training of human resources in the region to develop and manage the public sector reorganization and modernization processes, particularly at the local and provincial levels, with emphasis on the formulation and implementation of economic and social public policies.

**DESCRIPTION:**

The program's goal is to provide comprehensive training to 80 high-level professionals (30 from Argentina and 50 from other countries in the region) in public administration and policy analysis, focusing on the design and implementation of economic and social policies. Emphasis will be placed on defining attainable goals, selecting efficient and appropriate policy tools for achieving those goals, and finding the best way to implement the various policies.

The program will be offered by the Faculty of Economics of the National University of Tucumán in Argentina.

The proposed technical-cooperation program will consist of two courses. Twenty-five non-Argentine scholarship recipients (from the region, especially C and D countries) and 15 Argentine students will

participate in each 24-month course. The first academic course in the Latin American program will run from August 1996 to July 1998, and the second from August 1998 to July 2000.

**BENEFITS:**

The benefits of this type of program include: (i) the training of human resources that are needed for development of the region; (ii) the subject area of the program that is critically important for the region; and (iii) the paramount consideration of supporting the UNT as a preeminent institution in the province.

**RISKS:**

Although demand far exceeds the admissions capacity of the master's degree course, one potential risk is difficulty in locating enough eligible candidates for the Bank-financed scholarships in time to start the program in the 1996 academic year. Accordingly, promotional activities will be carried out in Latin American countries by UNT staff to encourage applications by candidates who would not apply for the master's program if scholarships were not being offered. In addition, the course will be publicized through brochures, posters, and announcements in the press to disseminate the necessary information to potential applicants. Moreover, the UNT's incorporation into the Advanced Training in Economics (ATIE) program will supplement these efforts, as that program constitutes an organized means of recruiting suitable candidates.

Admission procedures require applicants to the master's degree program to take an examination in their home countries. Since the UNT has no facilities in any other countries in the region, the Bank's Country Offices will provide the necessary logistic support to administer the tests, as well as for disseminating promotional material. This support will be essential to ensure the program's success.

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

The establishment of a revolving fund for the equivalent of up to 20% of the Bank's total contribution (US\$220,000). As a condition precedent to the first disbursement of the Bank's contribution, the executing agency must provide the Bank with authenticated copies of the signatures of the officials appointed to represent the UNT in any act relating to execution of the agreement.

## I. BACKGROUND

- 1.1 Over the last 10 years, Latin America has undergone a series of far-reaching economic and social transformations. These changes have included the introduction of processes to overhaul the structure of the region's public and private sectors. The key to success of any process of this type is, undoubtedly, the availability of properly trained human resources in sufficient numbers to handle the changes.
- 1.2 One of the areas in which the greatest shortage of competent human resources has been identified is the design and implementation of economic and social policies relating to: (i) economic growth and improvement of social welfare; (ii) regional and personal income distribution; (iii) rural development; (iv) social spending policies (health, education, and on-the-job training); (v) unemployment; (vi) public investment in infrastructure; and (vii) economic integration.
- 1.3 To ensure success of the ongoing processes, human resources in the Latin American public sector must be trained systematically and rapidly in order to be able to meet the challenges that have arisen. To this end, there must be institutions engaged in training the future managers and experts needed to carry out the public sector reorganization and modernization.
- 1.4 The National University of Tucumán (UNT) is an academic institution with a long tradition founded in 1914. Since that time, it has become one of the most prestigious universities in Argentina, and is an autonomous agency of the State. It currently has an enrollment of close to 35,000 students and a teaching staff of 5,000 (approximately 30% full-time).
- 1.5 The UNT has 12 faculties that offer more than 60 undergraduate programs and 10 graduate programs. In recent years, an average of 1,400 students have graduated annually, and admissions stand at around 8,000 new students each academic year.
- 1.6 The Faculty of Economics of the UNT offers a two-year master's degree program in economics designed to train human resources in the formulation and implementation of economic and social policies. The program is a full-time two-year course. The admission requirements are strict and focus on acceptance of only the best candidates for completing an extremely rigorous academic program.
- 1.7 In 1989, the UNT's Faculty of Economics was selected as one of the four Latin American economics programs to be included in the program for Advanced Training in Economics (ATIE) of the Francisco Marroquín Foundation (Stuart, Florida). The other three centers are the Pontifical Catholic University of Chile, the Mexican Institute of Technology (ITAM) in Mexico, and the Center for

Macroeconomic Studies of Argentina (CEMA) in Buenos Aires. Under the ATIE program, which has financed 90 scholarships for students from the region, the UNT has already received 14 students from Bolivia, Ecuador, Peru, Guatemala, Honduras, and the Dominican Republic.

- 1.8 One of the Bank's most important objectives is to support the public sector reorganization and modernization processes in Latin America. Training of competent human resources to supervise these processes is essential to ensure their success. Accordingly, and in response to a request from the UNT and the Argentine government, the Bank will support a scholarship program for training human resources in the above-mentioned areas through the Faculty of Economics of the National University of Tucumán.

## II. OBJECTIVE

- 2.1 The objective of the program is to support the training of human resources in the region to develop and manage the public sector reorganization and modernization processes, in particular at the local and provincial levels, with an emphasis on the formulation and implementation of economic and social policies.

## III. RESULTS

- 3.1 The program's goal is the complete training of 80 high-level professionals (30 from Argentina and 50 from other countries in the region) in public administration and policy analysis, focusing on the design and implementation of economic and social policies. Emphasis will be placed on defining attainable objectives, selecting efficient and appropriate policy tools for achieving those objectives, and devising the best way to implement the various policies.
- 3.2 In terms of the specific results for participants, the master's degree course will develop the following skills in the students:
  - a. analytical and managerial capacity to effectively address the complex problems facing society, maximizing use of their skills;
  - b. ability to understand the particular characteristics of the Latin American situation, in order to be able to effectively and efficiently design and manage sound policies, projects, and programs to meet its needs; and

- c. the sense of ethics that must guide the actions of those individuals who manage others, and the vision of managerial accountability to society and its organizations.

#### IV. PROGRAM DESCRIPTION

##### A. Executing agency

- 4.1 The program would be offered by the Faculty of Economics of the National University of Tucumán.

##### B. Academic considerations

- 4.2 The Economic and Social Policies Specialization was launched in August 1995 with a distinguished staff of UNT professors and visiting professors (see Annex I). The specialization joins the more than 10 graduate programs already offered by the UNT.
- 4.3 The program would be executed over four years in the academic periods from August 1996 to July 1998 and August 1998 to July 2000. The candidates financed by the Bank would primarily come from C and D Group countries in the region, and preference would be given to women. Argentine participants would mostly come from the provinces.
- 4.4 The program has eight permanent and 10 visiting professors at the highest international level to meet the academic and research needs of the UNT in this field.
- 4.5 The program is divided into four semesters of five months each. Three classes, or two classes and one seminar, are taken each semester. To obtain the master's degree, each participant must pass 10 classes, two seminars and two general exams, and must conduct applied research as a graduate thesis.
- 4.6 The graduate theses will focus on rigorous study of the processes of public policy setting and implementation in Latin America. The papers written by both the students and the permanent and visiting teaching staff will be published by the UNT for dissemination in the region.
- 4.7 As an indication, the program includes the following courses:
  - a. Basic courses: (i) Economic Theory; (ii) Macroeconomics; (iii) Quantitative Economics - Special Econometric Subjects; (iv) Social Evaluation of Development Projects;
  - b. Applied courses: (v) Public Economics; (vi) Agricultural Development; (vii) International Trade and Finance;

- (viii) Economic and Social Policies; (ix) Growth Economics; (x) Labor Economics;
- c. Applied Seminars: (xi) Seminar on Policies of Stability, Growth, and Social Policy; (xii) Seminar on the Latin American Economy.
- d. Electives: (xiii) Financial Programming Subjects; (xiv) Statistical Analysis of Chronological Series; and (xv) Subjects of Economics and Institutions in Economic History.

Annex II gives the detailed content of the curriculum.

- 4.8 The proposed technical-cooperation program will consist of two courses. Twenty-five non-Argentine scholarship recipients (from the region, especially C and D countries) and 15 Argentine students would participate in each 24-month course. The first academic course in the Latin American program would run from August 1996 through July 1998 and the second from August 1998 through July 2000.
- 4.9 The curriculum of the specialization has been designed to train participants in the systematic study of public programs and policies in each of their phases; (i) formulation; (ii) implementation; and (iii) impact, using advanced analytical methods. There will also be thorough interpenetration of technical considerations and issues such as the cost-benefit analysis of proposals, administrative restrictions thereof, and conflicts of values and ideologies.
- 4.10 The program will include not only academic-teaching work, but also the completion and dissemination of case studies, research projects, and promotion of public debate through various publications and events, with particular reference to the areas included in the process of public policy setting and implementation.

C. Monitoring and reports

- 4.11 The Programming and Evaluation Committee (CPE), consisting of the Academic Board of the Faculty of Economics, the Program Coordinator and a Bank representative, will be responsible for: (i) monitoring; (ii) coordination of activities; and (iii) program adjustment and evaluation. It will perform two other important functions; (i) selection of the scholarship recipients; and (ii) formulation of mechanisms to ensure the future sustainability of the master's degree program, after the initial phase supported by the Bank.
- 4.12 The UNT must submit to the Bank for approval:
  - a. progress reports: within 30 days after the end of each year of classes, describing in detail and evaluating the activities conducted, and including a plan and recommendations on measures to be taken in the next course, including possible curricular changes;

- b. a final report: within 60 days after completion of the second two-year course, containing a brief assessment of the activities conducted vis-à-vis the objectives set;
- c. financial reports: (i) annual financial reports, within 90 days after the close of each year; and (ii) a final financial report, within 90 days of the final disbursement, all audited by independent outside auditors subject to Bank approval, detailing the use of the Bank's contribution and the local counterpart; and
- d. an ex post evaluation report: six months after submittal of the final progress report, evaluating the impact and dissemination of results and indicating the positions and posts of duty of the scholarship recipients in their respective countries, in order to follow up on the program.

D. Cost and financing

- 4.13 The table of costs below describes the source and application of the funds needed for program execution:

**TABLE OF COSTS**  
(in US\$ thousands)

	IDB	UNT	TOTAL
2.1.1 Professors' fees		480	480
3.1 Tuition	180	108	288
3.2 Subsistence allowance	720	144	864
3.3 Travel (fares)	60		60
3.4 Insurance	60	12	72
3.5 Educational materials	20	4	24
6.1 Premises and services		144	144
6.3 Equipment		80	80
6.4 Supplies		280	280
6.6 Support personnel		120	120
7. Publications		80	80
8. Independent evaluation	30		30
98. Contingencies	30	48	78
<b>TOTAL</b>	<b>1,100</b>	<b>1,500</b>	<b>2,600</b>

- 4.14 The funds needed to finance the program would come from the net income of the Fund for Special Operations (FSO) in the local currency of Argentina.
- 4.15 The Bank will finance 50 scholarships for students from the region who would be recruited for two courses to be held over four years, giving preference to students from Group C and D countries. The scholarships will include: (i) tuition; (ii) subsistence allowance; (iii) insurance; (iv) educational materials; and (v) travel expenses. The estimated total cost of the scholarship is approximately US\$20,800 per student for the duration of the program. Using its own funds, the UNT will finance 15 scholarships for Argentine students which will cover only tuition, and 10 full scholarships (excluding travel) also for Argentine students. Tuition is exactly the same amount for all students (US\$1,800 per period).
- 4.16 The salaries of both the permanent and visiting professors and of the administrative staff will be paid by the UNT. The UNT will also defray the following costs from its own budget: (i) premises and services; (ii) books and materials; (iii) equipment; and (iv) publications.
- 4.17 The total program cost will be US\$2.6 million equivalent. The Bank's contribution would be up to US\$1.1 million equivalent from the net income of the Fund for Special Operations, and would be granted on a nonreimbursable basis. The UNT's contribution would be US\$1.5 million equivalent. Disbursements would be made following Bank procedures. The resources would be administered by the UNT following Bank procedures and disbursements would be made exclusively in local currency.
- 4.18 The Bank may set up a revolving fund for the equivalent of up to 20% of its total contribution (US\$220,000). As a condition precedent to the first disbursement of the Bank's contribution, the executing agency must provide the Bank with authenticated copies of the signatures of the officials appointed to represent the UNT in any act relating to execution of the agreement.
- 4.19 The Bank's contribution will be used to finance the following items: (i) tuition, subsistence allowance, travel, and insurance; (ii) part of the educational materials for the non-Argentine scholarship recipients, part of the acquisition of books and educational materials, only up to the amount indicated in the budget; and (iii) evaluation costs.
- 4.20 The Bank's contribution will be used exclusively for professionals from borrower countries of the Bank, giving preference to government agency officials and academics in Group C and D countries, especially women.



- 4.21 The UNT's contribution will be used to finance: (i) tuition for Argentine students; (ii) publications; (iii) part of the acquisition of educational materials; (iv) logistic support and operating costs of the program; and (v) the fees of visiting professors.
- 4.22 The Bank will provide logistic support to the UNT to administer the entrance examinations in the Country Offices of the region wherever necessary. This support will be limited to: (i) use for one day of one of the Country Office's conference rooms; (ii) a secretary to hand out and collect the tests; and (iii) forwarding the documents to the UNT.

E. Program admission and continuation requirements

- 4.23 The program's admission requirements are: (i) a degree in economics; (ii) average grades above 90%; (iii) passing the UNT's admission exam or alternatively the GRE of Educational Testing Services; and (iv) employment in public administration, preferably at the local or provincial level and/or in academia. Exceptions may be made in the case of professionals in other fields who are highly qualified with proven experience in the area and the ability to fit in with the program.
- 4.24 The requirements for continuation in the program are: (i) maintaining the minimum academic load determined by the UNT for the program; and (ii) satisfactorily passing the entire academic load of each academic year.

V. BENEFITS AND RISKS

A. Benefits

- 5.1 One of the most important benefits of implementing a program such as this one, apart from the training of human resources so crucial for development of the region, will be the paramount consideration of supporting the UNT as a preeminent institution in the province of Tucumán.
- 5.2 A further benefit will be the increase in academic exchanges with educational institutions of the first order worldwide that would contribute important experience to the professionals and researchers in the region. The UNT currently has frequent teaching staff exchanges with the Universities of Columbia, Chicago, Yale, Washington (Seattle), and Stanford, among other schools, that would give students access to the highest possible academic level on an international scale.

B. Risks

- 5.3 Although demand far exceeds the admissions capacity of the master's degree program, one potential risk could be difficulty in locating enough eligible candidates for the Bank-financed scholarships in time to start the program in the 1996 academic year. Accordingly, promotional activities will be carried out in Latin American countries by UNT staff to encourage applications by candidates who would not apply for the master's program if scholarships were not being offered.
- 5.4 The course will also be publicized through brochures, posters, and announcements in the press to disseminate the necessary information to potential applicants. The UNT's incorporation into the ATIE program will supplement these efforts, as that program constitutes an organized means of recruiting suitable candidates.
- 5.5 Admission procedures require applicants to the master's program to take an examination in their home countries. Since the UNT has no facilities in any other countries in the region, the Bank's Country Offices will provide the necessary logistic support to administer the tests, as well as for disseminating promotional material. This support will be essential to ensure the program's success.

VI. EVALUATION

- 6.1 The operation will be evaluated on the basis of the results described in chapter III of this plan of operations and the activities described in chapter IV. The evaluation activities will be funded by the Bank's contribution.
- 6.2 An ex post evaluation will be conducted six months after submittal of the final progress report, describing the impact and dissemination of results for submittal to the Bank. It will indicate the positions and posts of duty of the scholarship recipients in their respective countries, so as to follow up on the program. The UNT must submit the terms of reference to the Bank for approval, together with the final progress report.

PROPOSED RESOLUTION

REGIONAL. NONREIMBURSABLE TECHNICAL COOPERATION FOR A SCHOLARSHIPS PROGRAM  
FOR MASTERS IN ECONOMICS: SPECIALIZATION IN ECONOMIC AND SOCIAL POLICIES  
OF THE UNIVERSIDAD NACIONAL DE TUCUMAN

The Board of Executive Directors

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to take such additional measures as may be pertinent for the execution of the plan of operations referred to in Document AT- with respect to a nonreimbursable technical cooperation with the Universidad Nacional de Tucumán, for the execution of a Scholarships Program for Masters in Economics: Specialization in Economic and Social Policies of the Universidad Nacional de Tucumán.

2. That up to the equivalent of US\$1.100.000 in local currency, is authorized for the purposes of this resolution, chargeable to the net income of the Fund for Special Operations.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.