

# Analysis of the State Budget for Education of the Republic of Panama from 1990 to 2017

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## Abstract

The present research aims to analyze the Panamanian State Budget for Education according to the allocations approved by the government over the last 26 years. In the overall state budget, it is striking that the percentage allocated to education is far below the amount required. Education must be a priority for any state agenda if access is to be ensured to quality education that is equitable, inclusive, pertinent and comprehensive. The United Nations Educational Scientific and Cultural Organization (UNESCO) recommend that countries allocate 20% of overall state budgets to education. If a nation aims to develop, it must demonstrate a real and firm commitment to education by the political class and society as a whole; this commitment is embodied in the state budget designations for education.

**Keywords:** education, public policy, development, Latin America

## 1. Introduction

Education is an essential human right and indispensable for the exercise of all other social, political, economic and cultural rights. Panama, like most countries around the world, ratified international agreements on education and makes education a constitutional right.

Everyone agrees on the urgent need to ensure access to quality education that is equitable, inclusive, pertinent and comprehensive. To achieve this goal, public policy must adopt strategies that strengthen the education system and increase investment in education to give children, youth, adolescents and adults -- especially vulnerable and marginalized groups -- the opportunity to access knowledge, skills, tools, technology and innovation to boost their capabilities and talent and become independent, productive and entrepreneurial individuals who contribute to the development of society.

As parents often say, "Education is the only legacy I can give you; it is the greatest wealth". This truth is irrefutable; education is the key to knowledge, opportunities and social mobility. However, over several government terms and despite familial and social awareness, public investment in education in Panama remains small.

Educational quality requires a real, binding political and social commitment to resource allocation. Thus, important questions are, "How much should be invested in education, and how should the budget be used to achieve educational excellence?"

A real change in educational perspective demands a convergence of social, political, economic and cultural forces (including pedagogical) to make it a reality. Resources are required but must be supported by organization and management (Arias-Gómez, 2014).

The political will to achieve the constitutional mandate and international norms of education is reaffirmed in Panama's commitment to the 2030 Agenda for Sustainable Development, which establishes education as a top priority. Objective Number 4 states the obligation to ensure an inclusive, equitable and quality education and to promote life-long learning opportunities for all. ECLAC and UNESCO have been arguing that education is the

means to ensure a productive dynamism with social equity and democratic strengthening (UNESCO & ECLAC, 2005).

In Panama, despite an increase in social spending, it remains necessary to confront a culture of clientelism and political interference in institutions. Although budget increases are directed to operational expenses, payroll and structural maintenance consume most of the resources, and very little remains for investment. Therefore, the lack of a comprehensive analysis, of the education system is a state issue. Moreover, educational public policies must be established for the short, medium and long term, and the educational community must be involved in their design, implementation and evaluation process.

Regarding educational funding, decision-makers must refer to the four principles recommended by UNESCO: the amount of resources, funding formulas, type of indicators and funding legislation. The first is related to the amount of public resources intended for education, which according to the UNESCO's recommendations should fluctuate around 6% of the GDP or 20% of the overall public budget. The second is related to funding formulas and the consideration of specific situations, allowing an adjustment to the needs of the education systems and contexts in which they develop independently. The third has to do with the type of indicators used in the allocation of resources of both inputs and outputs and how those are transferred according to performance criteria. The last relates to the laws associated with funding, and it is recommended for countries to have commitments or fiscal pacts linking state policies with educational systems (Treviño, Villalobos, & Baeza, 2016).

Thus, it is not enough to fulfil the minimum allocation established by legislation in terms of economic growth and GDP. Progress requires an ongoing evaluation of the educational reality, the socioeconomic background of families, disparities between regions and social inequality. Funding should be established on the following terms: indicators should guide decisions on the efficiency and effectiveness of public and private spending on education, positive outcomes and lessons learned. Moreover, it is necessary to establish a pact for education that outlasts government administrations: although there have been different experiences and commitments from all sectors, such as Vision 20-20, Pacts for Education, Conciliation Tables and Governmental Agenda, education continues to falter.

## **2. Method**

Historical analysis of the state budget allocated to education from 1990 to 2017, with a sociological approach. Methodologically descriptive, quantitative and non-experimental. Three phases are developed.

### *2.1 First Phase*

Review of the academic education of UNESCO, as experts in the educational subject, to determine the recommendations in the budgetary subject for education. This information is complemented by contributions from the Inter-American Development Bank of the World Bank.

### *2.2 Second Phase*

Collect all laws from 1990 to 2017, which dictate the total budget of the State of Panama. to build the database with accurate information on how much is budgeted for education.

### *2.3 Third Phase*

Analyze the database, to confront the intended versus the recommended by UNESCO, and even contrasting these results with what is meant by each individual per capita for their education.

### *2.4 Limitations*

The main limitation is this data not exist in a systematic and orderly manner, which implies reviewing all the laws one by one. But this limitation becomes its main strength, since with these results, future research can be generated using the information that is presented, detailed year by year.

## **3. Results**

The education system of Panama is in crisis. Regardless of the funding proposed in the educational sector budgets, problems are persistent and unacceptable, such as the existence of “ranch” schools in indigenous areas and inadequate infrastructure in educational facilities, most of which are in poor condition and lack maintenance. Schools also face a lack of information and communications technology; difficulties in recruitment and appointment by meritocracy; problems in quantitative and qualitative evaluation of teachers and of the system itself; issues in curricular relevance; challenges in providing continuous and specialized teacher training for new methodologies; and a lack of citizen participation and permanent links between schools, families and communities, among other challenges.

It is necessary to recognize the need to make expenditures on education is out of the question. First of all, the best formation of each human being is a good in itself; in addition, it is a fundamental ingredient in the promotion of the economic and social development of the countries (Calcagno, 1997)

Standards and justifications for the investment in education may derive from Law 47 of 1946 of Panama, Organic Education. This text was approved by Executive Decree No. 305 of April 30, 2004, which states in Article 266: The budget directed to the country's education shall meet the needs and demands of the education system and will have priority in the overall state budget. When the present act comes into effect, the State shall establish a proportional and progressive increase of funds from the annual national budget to efficiently promote the quantitative and qualitative development of the education system. For this purpose, the State shall provide technical facilities and funds to promote and encourage initial, basic, general, secondary and higher education. In terms of the percentage of funds allocated to education, this article also states. The budget intended for education shall not be lower than the previous year, and public spending for the educational sector shall not be lower than 6% of the GDP from the previous year (Asamblea Legislativa, 2004).

The different sectors of Panamanian society share the same concerns regarding the urgent need to guide the educational sector. It is essential to focus in depth on this issue in a new political context, with a new role for the State and civil society, addressing different national situations. (Corvalán, 1997)

Although the education budget is intended generally for the Ministry of Education, funds are transferred to eight other institutions that serve important educational areas, such as scholarship opportunities and financial aid to promote training, human resources, culture, sports, research and public universities.

We should not forget that despite the millions in each annual budget, the operation of the Equity and Quality Fund for Education (FECE in Spanish) is deficient, and no standards exist to rectify such deficiencies. This scenario puts pressure on families and the public and private sectors, which must regularly come up with funds to cover the needs of public and private schools and the costs of tuition payments, materials, school supplies, transportation and other educational expenses.

One source of funding for the General State Budget for Education in Panama is the Educational Insurance Fund, created by Law 13 of 1987. It receives contributions of 1.50% of basic wages provided by employers, 1.25% of basic wages provided by employees of the public and private sectors and 2.75% of the annual income declared by the self-employed. Such funds are intended for educational purposes in the following proportions: 27% of the Ministry of Education income is used to cover the costs of public elementary and middle schools according to the number of students and covers enrollment costs billed by schools. The remaining 73% is distributed as follows: vocational training, 15%; union education, 5%; cooperatives, 5%; agricultural education, 7%; educational radio and television, 7.5%; middle school scholarships, 10%; loans for professional and university-level studies, 40%; and other educational loans, 10%.

In recent years, allowances for autonomous educational entities increased, and new programs that increase the budget for education were introduced. The programs include the distribution of backpacks with school supplies, nutritional programs and the Universal Scholarship, which aims to decrease school drop-out rates and help vulnerable households cover certain educational expenses. This program was criticized for requiring a certain grade point average for families to receive the benefit and for undermining the concept of a "scholarship" awarded to students with outstanding achievement. However, the fact that this program has undergone no scientific evaluation to measure its impact on the number of failed students represents a greater concern, in addition to its limited support for culture and sports.

As Llano argues, school, that place of human encounter where formal education is developed, must be reappraised, since it does not fulfill the tasks for which it was created (Llanos-Ceballo, 2016).

It should be noted that there has been no compliance with the budget law and that investment to meet the purposes and challenges of education is not delivering positive results. It seems that the same mistakes are being repeated, which requires a review of the investments in education and a reopening of the subject for further discussion, analysis and research to define a national policy on education and a course of action that can establish an education system that meets citizens' needs.

### 3.2 Statistics and Data Analysis

Table 1 General budget of the Panamanian state and allocations for education from 1990 to 2017 (in dollars)

Year	Total State Budget	Total amount intended for education (operation + investment)	Operation	Investment
1990	1,165,779,500.00	245,345,000.00	235,700,000.00	9,645,000.00
1991	1,556,155,350.00	269,850,000.00	250,991,000.00	18,859,000.00
1992	1,453,789,062.00	302,645,400.00	277,911,000.00	24,734,400.00
1993	1,834,935,178.00	360,493,800.00	310,500,000.00	49,993,800.00
1994	3,903,438,611.00	353,012,600.00	316,605,000.00	36,407,600.00
1995	4,048,399,595.00	328,897,622.00	312,042,322.00	16,855,300.00
1996	4,731,454,800.00	409,007,000.00	383,329,000.00	25,678,000.00
1997	4,728,714,100.00	446,027,600.00	396,273,300.00	49,754,300.00
1998	4,922,391,645.00	484,691,900.00	434,081,000.00	50,610,900.00
1999	4,940,606,900.00	495,139,900.00	439,906,300.00	55,233,600.00
2000	5,147,142,500.00	499,495,000.00	453,160,000.00	46,335,000.00
2001	5,612,668,500.00	554,016,100.00	493,046,100.00	60,970,000.00
2002	6,279,919,000.00	566,178,800.00	511,260,000.00	54,918,800.00
2003	5,493,582,485.00	552,757,400.00	516,354,200.00	36,403,200.00
2004	6,003,145,717.00	563,212,700.00	529,749,200.00	33,463,500.00
2005	6,192,329,636.00	607,063,900.00	554,318,800.00	52,745,100.00
2006	6,740,275,760.00	701,824,900.00	603,226,700.00	98,598,200.00
2007	7,378,976,380.00	790,738,700.00	667,252,900.00	123,485,800.00
2008	8,321,689,027.00	904,604,600.00	736,867,800.00	167,736,800.00
2009	9,763,326,300.00	968,231,800.00	799,606,900.00	168,624,900.00
2010	10,574,940,600.00	1,062,978,000.00	828,369,300.00	234,608,700.00
2011	13,009,299,204.00	1,186,521,200.00	941,123,401.00	245,397,799.00
2012	14,451,167,601.00	1,462,010,216.00	1,058,313,916.00	403,696,300.00
2014	17,762,905,404.00	1,648,993,276.00	1,154,569,467.00	316,438,000.00
2015	19,571,473,179.00	1,876,811,078.00	1,221,875,317.00	427,117,959.00
2016	20,126,080,834.00	2,075,172,500.00	1,430,456,778.00	446,354,300.00
2017	21,675,751,294.00	2,150,882,439.00	1,562,257,400.00	512,915,100.00

Source: Prepared by the authors from the legislation of the Republic of Panama, which dictates budgetary norms from 1990 to 2017.

Regarding Table 1, the scope of the budget for education should be specified because its resources should meet the needs of the Ministry of Education (MEDUCA, in Spanish), the Educational System and autonomous educational entities such as the National Institute of Culture (INAC, in Spanish), the National Institute of Sports (PANDEPORTES, in Spanish), the Institute for Training and Development of Human Resources (IFARHU, in Spanish), the National Human Development Training Institute (INADHE, in Spanish), the Panamanian Institute of Special Education (IPHE, in Spanish), the University of Panama, the Technological University, the Specialized University of the Americas, the Autonomous University of Chiriqui and the National Service of Educational Radio and Television (SERTV, in Spanish).

The education system demands greater public investment. Currently, the academic structure comprises the regular sub-system, an irregular sub-system and special education. The regular sub-system includes pre-education (kindergarten and pre-kindergarten), the first level of general basic education (elementary and secondary), the second level of middle education and the third level of higher education (universities). The irregular sub-system includes nursery education and youth and adult education.

In addition to a timeline of approved budgets, Table 1 shows operational and investment funds to clarify how the state distributes funds to institutions as an administrative practice. Operations include the activities required to produce public goods and services, which should include quantifiable targets and objectives for the material, financial or technological resources invested. The investment budget is used to produce goods that increase capital. Regarding MEDUCA, a portion of the budget allocation must be transferred to entities in the sector.

Table 2. Total amount allocated to education vs. amount recommended by UNESCO, 1990 to 2017 (in dollars and percentages)

Year	Total amount intended for education	Amount recommended by UNESCO for education (20% of the total State Budget)	difference between what is allocated to education and what is recommended by UNESCO	% intended for education from the overall state budget	difference between the % assigned to education and the 20% recommended by UNESCO
1990	245,345,000.00	233,155,900.00	12,189,100.00	21.05	1.05
1991	269,850,000.00	311,231,070.00	-41,381,070.00	17.34	-2.66
1992	302,645,400.00	290,757,812.40	11,887,587.60	20.82	0.82
1993	360,493,800.00	366,987,035.60	-6,493,235.60	19.65	-0.35
1994	353,012,600.00	780,687,722.20	-427,675,122.20	9.04	-10.96
1995	328,897,622.00	809,679,919.00	-480,782,297.00	8.12	-11.88
1996	409,007,000.00	946,290,960.00	-537,283,960.00	8.64	-11.36
1997	446,027,600.00	945,742,820.00	-499,715,220.00	9.43	-10.57
1998	484,691,900.00	984,478,329.00	-499,786,429.00	9.85	-10.15
1999	495,139,900.00	988,121,380.00	-492,981,480.00	10.02	-9.98
2000	499,495,000.00	1,029,428,500.00	-529,933,500.00	9.70	-10.30
2001	554,016,100.00	1,122,533,700.00	-568,517,600.00	9.87	-10.13
2002	566,178,800.00	1,255,983,800.00	-689,805,000.00	9.02	-10.98
2003	552,757,400.00	1,098,716,497.00	-545,959,097.00	10.06	-9.94
2004	563,212,700.00	1,200,629,143.40	-637,416,443.40	9.38	-10.62
2005	607,063,900.00	1,238,465,927.20	-631,402,027.20	9.80	-10.20
2006	701,824,900.00	1,348,055,152.00	-646,230,252.00	10.41	-9.59
2007	790,738,700.00	1,475,795,276.00	-685,056,576.00	10.72	-9.28
2008	904,604,600.00	1,664,337,805.40	-759,733,205.40	10.87	-9.13
2009	968,231,800.00	1,952,665,260.00	-984,433,460.00	9.92	-10.08
2010	1,062,978,000.00	2,114,988,120.00	-1,052,010,120.00	10.05	-9.95
2011	1,186,521,200.00	2,601,859,840.80	-1,415,338,640.80	9.12	-10.88
2012	1,462,010,216.00	2,890,233,520.20	-1,428,223,304.20	10.12	-9.88
2014	1,648,993,276.00	3,256,784,693.40	-1,785,777,226.40	9.03	-10.97
2015	1,876,811,078.00	3,552,581,080.80	-1,903,587,804.80	9.28	-10.72
2016	2,075,172,500.00	3,914,294,635.80	-2,037,483,557.80	9.59	-10.41
2017	2,150,882,439.00	4,025,216,166.80	-1,950,043,666.80	10.31	-9.69

Source: Prepared by the author from the legislation of the Republic of Panama, which dictates budgetary norms from 1990 to 2017.

Table 2 clearly demonstrates, the period from 1990 to 1993, with the restoration of democracy in Panama under President Dr. Guillermo Endara, saw renewed attention to Panamanian education and clarity of direction, political will and national priority. Viewing education as a transformative element has an impact on all human endeavors and the development of the country.

Over this five-year term, Panama met the UNESCO recommendation to allocate 20% of the overall public budget to education. In 1990, the recommended amount was exceeded, with 21.5% allocated to education and 20.82% in 1992. In the subsequent five-year terms, the amount was halved. In 1999, the highest amount was 10.01%; 10.63% in 2003; 10.87% in 2008; and 10.12% in 2012. The highest amount during the current administration was 10.31% in 2016.

Undoubtedly, the budget for education has increased with the growth of the overall state budget, but the increase is far from the 20% of the overall budget that should be allocated to the sector to ensure quality, equity, relevance and innovation and that is needed to support efforts, as noted, by civil society and various educational actors.

Each discussed aspect is clearly visible in the following figure, which shows the substantial gap in educational funding over time. Even worse, this gap accentuates the use of funds, with decreasing allocations for investment. It is always said that political will is expressed in the amount of funding directed towards each sector, but the original direction of education, the type of people it aims to develop, and the athletic and cultural values needed in the population appear to increasingly be forgotten. Apathy in education is already increasing failures, drop-outs, Ninis

(a Spanish term for people with no job and no schooling), inequality, exclusion and social risk factors for children and youth who are unable to meet the minimum standards to enroll in higher education, among others.

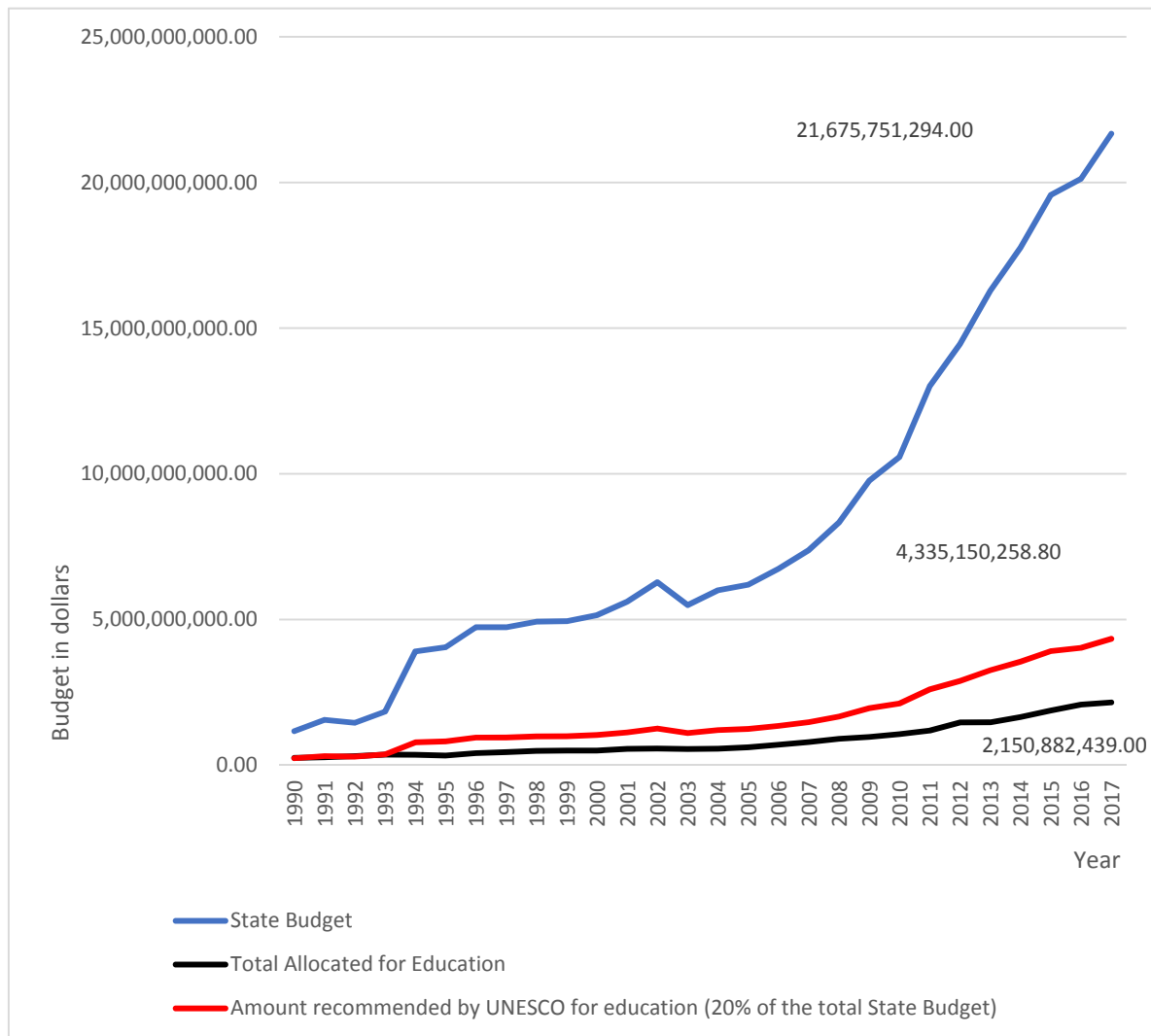


Figure 1. General State Budget of Panama vs. Budget allocated for education from 1990 to 2017 (in dollars)

Figure 1 reveals a worrisome problem that is not appreciated at its proper scale: the gap between the total budget, in absolute numbers, and the percentage allocated to the entire educational sector, from the beginning of the Panamanian state. Over the years, funding for education has risen and fallen, but the difference relative to the overall budget has continued to grow. Thus, one question is, “What level of commitment does the government have to education?” This inquiry rests on the political recognition that a quality education is an important variable in cross-sectional solutions to social problems and is part of all government programs.

As noted in Table 1 and Figure 1, the government from 1990 to 1993 made a strong commitment to education to address several social problems, highlighting the type of nation and society it wanted to build. Although absolute numbers have maintained sustainable growth over time, the problem lies in the level of importance attributed to education by the state. There is no academic in the world who does not point to education as an important variable that cuts across various problems in society, without falling into determinism.

It is not a matter of demeaning other important aspects of the state structure; rather, investing in education impacts other social issues and, in time, improves other aspects of the state. It is about understanding that ignoring the decisive moments for the formation of the person is condemning children and youth to a world of chronic inequalities (UNDP, 2014).

The wise saying, “Don’t miss the forest for the trees,” seems to apply to Panamanian society. Those in Panama have spent decades discussing many important problems in education (maintenance and construction of schools, teacher salaries, recruitment processes, selection and appointments, subsidies, school violence, etc.), and they have been blind to the true need for the state to allocate 20% from the general budget of public financing to solve such issues.

On one hand, the education system is questioned, and crisis is averted. However, people settle for small increases in the budget to take care of new programs. Citizens are not assuming their role in society, which is to demand that the government devote taxes to education, as stated in the Constitution. This funding would promote the harmonious and comprehensive development of students in society across physical, moral, intellectual, aesthetic and civic aspects and foster their training for useful work that supports their own interests and the collective good.

The mandate of the Constitution clearly requires the allocation of funds to the educational sector to strengthen the system; to promote culture, science, technology, innovation and sports; and to define educational priorities (i.e., what problems, plans, programs, actions and strategies must be addressed) in a coordinated agenda.

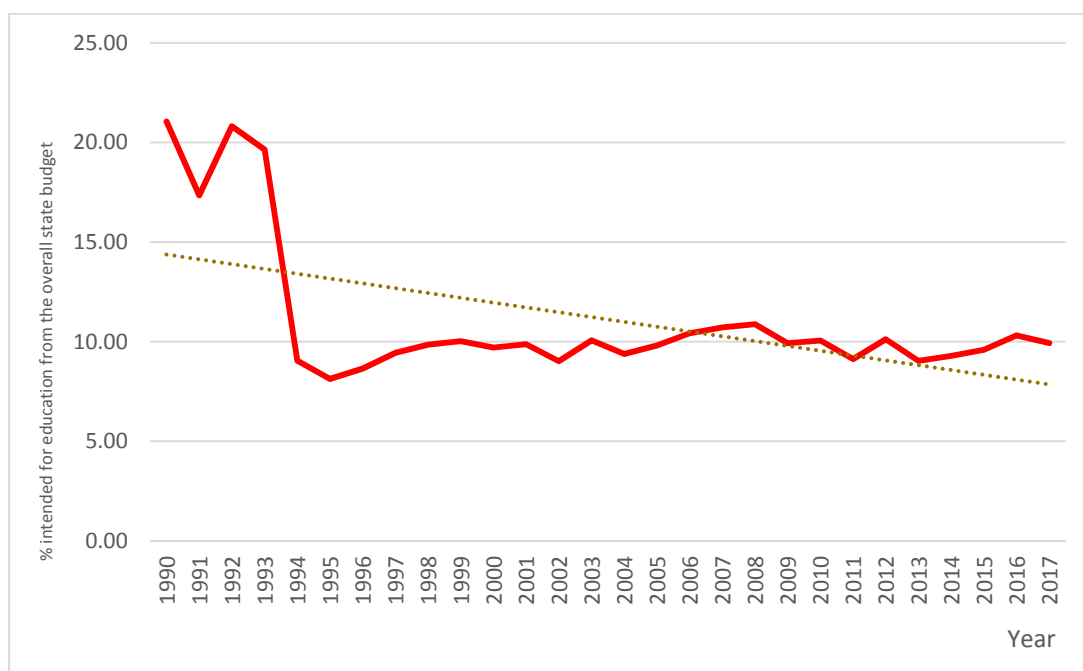


Figure 2. Intended for education in relation to the General State Budget of Panama 1990-2017

Based on UNESCO’s recommendations, 20% of the overall budget should be allocated to the educational sector. As shown in Figure 2, the substantial gap was only rectified in the period from 1990 to 1993.

It is a serious concern that despite the growth in the general budget of Panama, since 1994, the percentage of funds allocated to education has ranged from 7% to 10% of the overall state budget. These unfulfilled promises have been repeated in each administration for more than 26 years, while a whole generation has been denied a comprehensive education and adjustments to the system have stopped.

It makes no sense to debate the reality and complexity of Panama’s problems if its citizens cannot establish the type of education they desire or the society they are building. Panamanian’s debate moral deterioration and corruption scandals, but the plundering of the public treasury is never seen nationwide, a shameful fact that stains Panama’s history. The political class is in collusion with businessmen and friends who use the power of their public positions and public funds, intended to solve the problems of the population, for their personal benefit. It is still not known how much public wealth has been drained and whether those responsible will be appropriately punished.

An important precedent was established in 2002, during the presidency of Mireya Moscoso, when dialogue for the Comprehensive Transformation of the National Educational System began. It was the first of many that followed, facilitated by the UNDP’s “A Date with Hope.”

At that time, the political will and the desire of Panamanian society to focus on education were apparent. In the

words of one dignitary, the success of this dialogue depends in a large part on the fact that all the stakeholders of society represented here admit that there is a problem, but that it can be changed, especially in regard to something so important to the comprehensive growth of our nation, such as education (UNDP, 2002).

After this dialogue, the transformations did not take place, and neither did the increases in the education budget relative to the overall budget.

Ideally, a country's growth and development also drive human development. However, the poor quality of education is evident in the growth of unemployment among young people, who lack the skills and abilities needed for the best job opportunities in today's world.

Keep in mind that, an equal distribution of spending per student reflects a vision of equity based on access; while an unequal and progressive distribution of it in the sense that more resources receive those that have greater deficiencies of origin-, reflects a position of equity based on educational outcomes (Formichella, 2015, p. 75)

Additionally, school has turned into a charmless place, with problems including seriously deteriorated infrastructures, risky environments, increased failure and drop-out, pregnant adolescents, parent-teacher quarrels, apathy from the educational community in the face of run-down facilities, a lack of safe spaces for sports and cultural promotion and the absence of evaluation, updates and improvements for teaching as a permanent practice.

The increase of the public budget in education is made in circumstances in which the efficiency of the expenditure has problems that are evident in the high rates of repetition, lag and school desertion. With 27% of students behind schedule in the schools in function of the age, it is calculated that the region wastes about 12 billion dollars a year. (UNESCO & ECLAC, 2005)

The above issues are consistent with per capita calculations, based on the Population and Housing Censuses conducted in the years 1990, 2000 and 2010 by "Contraloría General de la República de Panamá".

In Figure 3, the budget of the three censuses is compared, starting from income per capita, to identify how much income is represented in the General State Budget, how much is allocated for education and how much this allocation represents per capita as a percentage of the total budget.

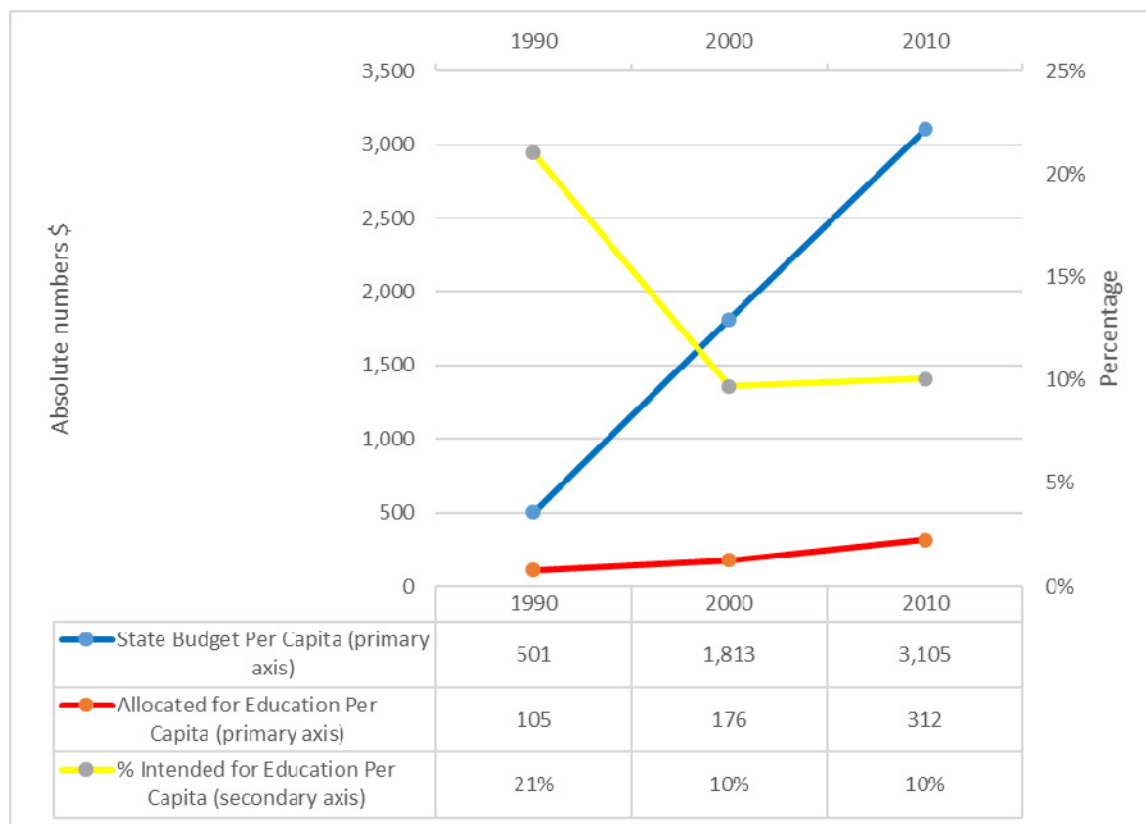


Figure 3 Per Capita State Budget, Allocation for Education Per Capita and % Intended for Education Per Capita of the Republic of Panama. Years 1990-2000 and 2010



It must be emphasized that the problem is not a budget increase in absolute numbers but the priority that the state assigns education.

The education function is the second most important (at the level of the public sector) and represents 4.6% of GDP as a regional average, according to 2015 data, while in 2000 it represented 3.7% (ECLAC, 2015)

In this figure, it is clear that only 10% of the total income per capita was allocated, except in 1990, which is consistent with Figure 2. The amount increases every decade in the first two axes, but the figure reveals a serious problem of inequity in public funding for education.

Returning to the original question, the concern of this paper is not to increase the education budget considering a lack of economic growth or according to income per capita or by GDP. Rather, it aims to draw attention to an inability to truly agree on the will to focus all efforts on achieving quality in education, a transformational tool that impacts people and various matters of development in Panama.

There is no turning back, and there are only three years until the next census. It would be a sign inspiring great hope if this percentage started to change radically, demonstrating responsibility and vision from the State for a future that everyone must build together.

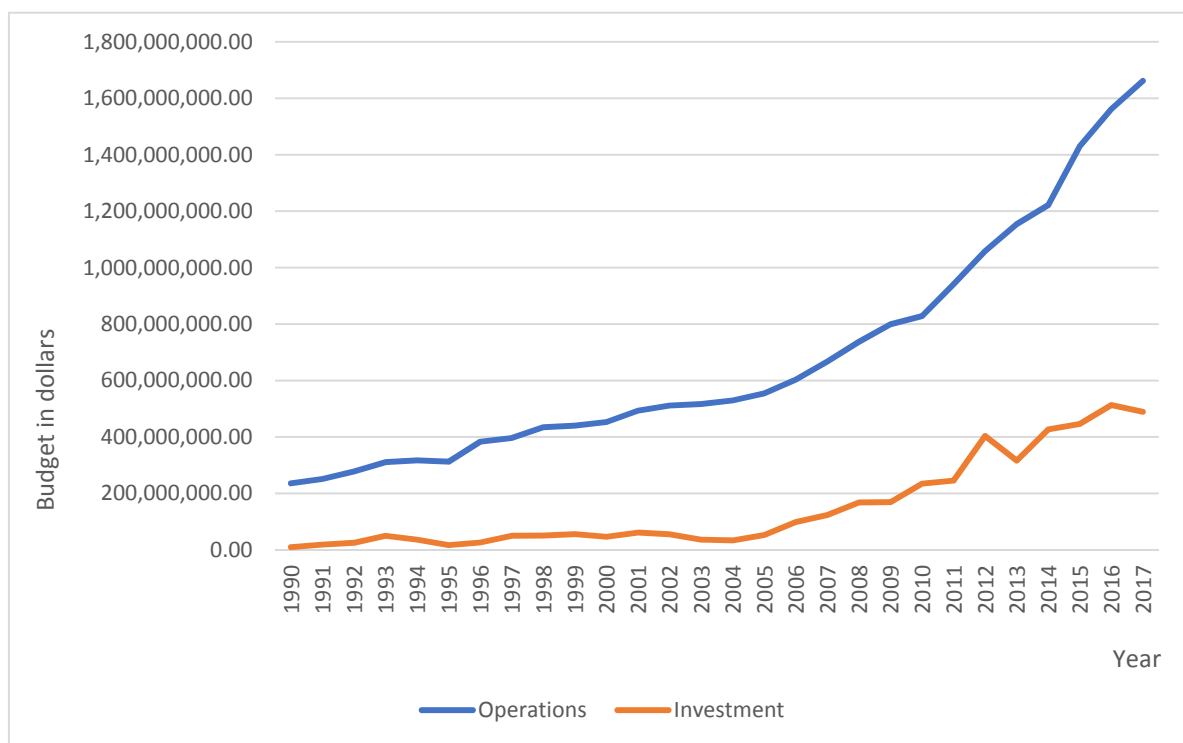


Figure 4 Budget of the State of Panama in the Education Sector: Operations vs. Investment 1990 to 2017.

There is a worrisome difference between operations and investment in the structure of the education budget that can be seen in Figure 4. The amounts allocated for this sector are mostly for operational expenses, and the trend grows over time. In the first 15 years of the democratic period, between 1990 and 2014, the trend is similar: a rising curve with a few peaks in 2012 that are spaced apart.

Through the public budget, every institution tries to meet its needs according to the competencies and functions established in the Constitution and special laws and to provide necessary administrative spending and institutional growth. The latter are incorporated into operating and investment programs based on recommendations given by the Ministry of Economy and Finance.

Administrative management, public or private, must be efficient, so budgets must respond to public policies that achieve goals over the short, middle and long terms, and investment must maintain continuous, coherent growth. Generally, growth should consider expenses for the development of programs and projects, the strengthening of

the education system, equipment, maintenance and construction. It is unacceptable, for example, for administrations to commit to eliminating rancho schools in indigenous areas and other inadequate learning environments but for these problems to continue.

The transfer of good practices and the use of existing systems should be part of the strategies in educational policies where “integration becomes the ideal mechanism to seek concerted, supportive and equitable responses” (Herrera-Montenegro, 2017, p. 180).

Achieving quality in education is a goal for everyone, and investment in the sector must not be delayed. A heavy burden is assumed by families that struggle to keep their children in private schools despite the high costs.

Despite the significant progress made, the Latin American region has been unable to reach countries with similar levels of development in terms of years of education and learning (Busso, Julián, Hincapié, Messina, & Ripani, 2017).

By failing to define the needed investment, priorities and paths, programs continue to be improvised that do not fulfill the objectives of Panamanian education as specified in the Constitution, international norms and the Organic Law of Education. Such programs should respond at every level to a comprehensive public policy to achieve educational excellence and overcome inequity and social segregation.

Investments in human capital consist in promoting universal access to high quality social services through responsible education systems (World Bank, 2017).

Surely, no one wants to allow another 26 years to pass without improving the education system, including culture, sports and higher education, which have also suffered under pitiful public budgets. The numbers discussed in this paper should prompt deep consideration of the subject. If it succeeds, with the contributions of all social stakeholders, it is possible to get on the right path to persuade decision-makers to permanently allocate 20% of the General Budget to implement a new education model.

To have a positive impact on education in a country, economic policies in this area should be directed to multiple lines (Toledo, 2014).

Public policy can enhance the quality, equity and pertinence of education, creating a new, holistic model to shape creative and innovative human beings. However, if education is not prioritized, starting with resource allocation, it will be impossible to achieve human growth and development or to eliminate inequity and social segregation.

#### **4. Conclusion**

- 1) For more than 27 years, the relation between total expenses and the amount allocated to the education sector in Panama’s General Budget has not reached the 20% level advised by UNESCO, except for in the 1990s; achieving this level would show political will and would fulfil national agreements on the transformation of education.
- 2) The different budgets all concentrate the majority of resources on operations and allocate minimal amounts to investment. This tendency reduces the quality of the educational system’s plans and programs, the qualitative and quantitative evaluation of the teaching-learning process, the potential for new facilities for population growth, the maintenance of infrastructure, teaching quality and the use of technology and innovation, especially in rural areas.
- 3) As a consequence of low investment in education over five different administrations, educational entities in culture, sports and higher education have made limited progress in establishing a comprehensive strategy to impact the development of capacities and the accumulation of human capital to form responsible citizens with the required skills, tools and values.
- 4) There is an urgent need for a budget that includes a sustainable increase in investment spending, based on a percentage of the General Budget, to serve as a foundation for a stronger educational system. It should also take into consideration per capita income to establish allocations, equity and priorities.
- 5) The task and challenge for society is to improve the quality, equity and relevance of education. A new educational model would allow Panamanians to shape creative and innovative human beings based on a holistic vision, with interventions from early childhood through adulthood, to achieve the mandates of the Constitution: the harmonic and comprehensive development of people in society in terms of their physical, intellectual, moral and civic character and the training of citizens to work in their own interest and for the collective good. However, to reach this goal, economic resources must support the active involvement of the education community and all social stakeholders.

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