Site selection research for internationalizing EAFIT continuing education in Central America and the Caribbean

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1. Abstract

This paper seeks to select a new market for EAFIT continuing education to start a new internationalization effort, based on the exploration of 5 different countries from Central America and the Caribbean. It analyzes four dimensions of each country, demographics, economics, political and sociocultural. Once selected, a recommendation of a possible entry strategy that minimizes the risk of a failure is done.

Key Words: Internationalization, Continuing Education, Central America and the Caribbean, market selection.

2. Introduction

In 2012, EAFIT university developed a strategic plan for the next 6 years. The 2012 - 2018 plan, was founded in three main axis that worked as drivers for the university in recent years. The first axis is to preserve academic excellence which, in a certain level, is measured through the national accreditation system of undergraduate and graduate programs. Other strategic lines to accomplish this axis are the training of teachers in new pedagogy methodologies, evaluating and updating all the current curriculums and seek for international accreditations, among others. The second axis is to consolidate a university of teaching with investigation that pretends to promote the research and investigation in all the academic areas, and focuses in increasing the number of master and PhD programs offered in the university as well as undergraduate and specialization programs. Finally, the third axis of this plan is to improve national and international recognition of EAFIT. One of the strategic lines to accomplish this objective is to increase the offer of services abroad, specifically graduate and continuing education programs, and not only through teachers mobility, but also with the offer of virtual programs.

EAFIT continuing education is the area of the university in charge of designing and executing all the programs that do not lead to the obtention of a title. This includes diploma programs, short courses, workshops, congresses, seminars and forums among others. The area currently has about 50 employees divided in 3 coordinations: Academic, Marketing and Logistics. With more than 30 years of experience, the area has become a local reference in the city where it is the biggest of its kind reaching $12,100 million pesos in revenue in 2016 and with a budget of 13,511 million for 2017. The area designs programs together with the 5 schools of the university: administration, finance and economy, engineering, science and human sciences and keeps a close relationship with the academic staff in each of them.

This paper intends to search for the next step in the internationalization process of EAFIT continuing education. It begins with a literature review regarding the internationalization process of continuing and higher education, followed by a brief SWOT analysis of the area with the purpose of identifying the most relevant characteristics and strengths that can be helpful in the process. Next, a background or previous internationalization efforts of EAFIT continuing education are presented and then the country profiles of each of the candidates will be summarized.
The paper continues with a description of the methodology, including the 4 dimensions analyzed: demographics, economics, political and sociocultural, and each of their variables. A survey with RECLA (Red de Educación Continua de Latinoamérica y Europa) was made to validate the importance of the selected variables with continuing education centers in Latin America and Spain. Each of the dimensions will be analyzed for each country and with this information a country selection matrix will be built. The importance and rates for each variable will be explained, and the country with the highest score is the one selected. After this selection a suggestion of what could be an entry mode for this country will be made.

3. Literature Review

The existing literature on internationalization of education is oriented mostly in analyzing higher and superior education. Very few studies have been carried out on continuing education and in the case of Latin America, the availability of information is even more limited. Zawacki-Richter, Röbken, Ehrenspeck-Kolasa & Ossietzky, (2014) directed a delphi analysis on research areas in continuing education. The results include a priority list of areas in which further investigation is suggested. Globalization and internationalization of continuing education is indeed in the third place of importance in this list, which reinforces the importance of new studies in this field.

Altbach & Knight (2007), studied how universities in different continents have internationalized or how are they planning to in the next years. The research is based on higher education, but the strategies described may apply also for continuing education centers. The paper describes how universities in different regions have taken actions towards internationalization based on the following:

- **Cross-border supply:** This mode may include distance education (e-learning) and franchising courses or degrees. It does not necessarily require the physical movement of the consumer or provider.
- **Consumption abroad:** The consumer moves to the country of the provider. This mode includes traditional student mobility.
- **Commercial presence:** The service provider establishes facilities in another country including branch campuses and joint ventures with local institutions.
- **Presence of natural persons:** This mode includes persons, such as professors and researchers, who temporarily travel to another country to provide educational services (Organization for Economic Cooperation and Development, 2004, p. 35; also see National Education Association, 2004).

According to Elahee & Norbis (2009), universities all around the world are increasing their efforts in engaging in the internationalization of their curricula in order to gain more competitiveness. Latin America, although sometimes a forgotten region, is not the exception. Many studies have been conducted about the internationalization of curricula of the United States universities, and some others from Australian, Canadian or European
colleges, all of them however are English native speakers leaving the rest of languages in a secondary position.

The study makes emphasis in curriculum since it is one of the most relevant aspects in the internationalization of business education. The article mentions that only Guthery, Valencia, & Zerio (1993) have explored the internationalization of Latin American universities.

The author analyzes how Latin American universities lack of government support, for instance, scholarship programs to help them to attract foreign students; neither one of them have international corporations, or foundations providing financial support for internationalizing. The research involves universities in Mexico, Brazil, Colombia, Costa Rica, Chile, Peru and Argentina. The study concludes that Latin American business schools have made significant improvements in several areas: recruiting competent faculty staff, starting exchange programs, encouraging student internships and faculty research, among others. The authors did not find any model of internationalization for Latin American universities, perhaps because most of them are driven by the requirements of US based accreditations. The United States Department of Education recognizes two types of accreditation, regional and national. Regionally accredited institutions are typically academic schools while nationally accredited are usually vocational or technical schools (Aasen, 2008).

One of the most helpful references is that of Yemini & Sagie (2016), who performed an interesting analysis on the available literature of internalization of higher education, between the years of 1980 to 2014. They identified patterns and trends and classified them according to the period, direction, and country. The article, among other conclusions, criticizes the internationalization hegemony of western universities, particularly because of the budgetary superiority that enables to attract foreign students and human resources from all over the world, and the access to financial corporations and foundations which help them through all the internationalization process. In a similar way, the article criticizes how internalization has been cynically used to advance in certain performance rankings in detriment of academic and social rationales.

Authors categorized over 7,000 articles related to the internalization of higher education and found some interesting statistics. It is shown, how in the last 7 years the number of publications about internalization of higher education have surpassed the number of publications on higher education in general, revealing that this topic is among the most relevant ones in the field of study. A second finding, is a list of categories with the highest appearance in the articles analyzed, where the internalization at home, that is, the aspects of internationalization strategies and activities that are performed in campus; is the most important with a 27.2% of appearances in the whole literature. The relevant data in this list is that lifelong/adult learning is listed in the top 10 at position number 10 with a 1.9% of appearances in the literature. The paper does not describe the total number of topics involved. (Yemini & Sagie, 2016).
In the 1998 paper, “internationalization strategies for management education”, Howe & Martin (1998) analyze how western universities have internationalized to Asia. According to the investigation, a joint venture is the preferred way for western universities to internationalize in the Asian region rather than franchising or FDI investment. However, the article emphasizes in MBA programs rather than in continuing education.

Vast information may be found on individual and general strategies, but when searching for continuing education cases, the literature is very restrictive and, in some cases, inexistent. Joint ventures may be the strategy with a better documentation but mobility for instance, is rare to be found.

4. SWOT Analysis EAFIT Continuing Education

With the purpose of analyzing the sector and become aware of EAFIT continuing education strengths, weaknesses, opportunities and threats towards internationalization, a SWOT analysis is being described. The findings will be considered in the final recommendation.

4.1. Strengths

- EAFIT continuing education is one of the biggest in the city and in the country. Its current portfolio offers more than 900 programs in the following areas: Organization and management, merchandising, accounting, international business, systems engineer, civil engineer, production engineer, product design engineer, process engineer, informatic, human sciences, government and political sciences, psychology, social communication, math sciences, earth sciences, biological sciences and physics sciences.
- More than 30 years of experience in the region also gives continuing education in EAFIT an important advantage over the rest of institutions.
- The support of academic departments to continuing education programs is strong. Every department has a person connecting the latest trends in academic research with the continuing education portfolio.
- The teachers for continuing education have in its vast majority a long experience in the industry, combined with very good foundations of the theory, making the classes very practical but always including the theoretical frames needed to understand all the concepts.
- The 2018 QS Latin America rankings shows EAFIT in position #71 confirming it is one of the universities in the region with high quality education standards. This list includes 53 universities from Colombia and the results rank EAFIT as the seventh institution of the country.
- The accreditation from ACCET (Accrediting Council for Continuing Education and Training) that was first granted to EAFIT continuing education in the year 2011 and was again certified for another 5 years in 2016. ACCET, founded in 1974, is one of a few organizations recognized by the Department of education of the United States as a “reliable authority” to the quality of education and training provided by the institutions that are accredited (“Accet,” 2017).
- A modern platform of virtual environment programs.
- The facilities of the university located in Medellin, the concept of “university park” that has helped to improve the sustainability of the campus.

4.2. Weakness

- Even though EAFIT is well known in the region and in most of the country, the international recognition of the university is still very limited.
- There is a perception of EAFIT to be an expensive university, even for continuing education programs.
- Lack of allies and ventures in the Central American region.

4.3. Opportunities

- The integration with formal education to provide valid credits to start graduate programs.
- The use of Massive Open Online Courses (MOOC). The university has had three of these programs with very good results. Together, these Mooc’s have been taken by more than 12,000 participants all over the world.
- The previous experience with internationalization of continuing education programs in Central America.
- The interest of the university to have continuing education as an exploratory exercise for the internationalization of graduate programs.

4.4. Threats

- International presence in Colombia from universities of Chile, Mexico and the United States, among others.
- Virtual programs and MOOC’S (Massive open online courses) from websites like edx.org, Cursera or Universia that offer free programs from top universities in the world. Edx.org for example was an initiative of MIT (Massachusetts institute of technology) and Harvard University, which is currently offering a MicroMasters degree based on a series of mooc’s within the same field of interest. Other universities have joined and have started to offer the same degree.

The SWOT analysis of EAFIT continuing education indicates that it has developed a strong leadership in the region and it is a major player at the country level. It also shows that the area has many strengths that can be potentialized to define a clear internationalization strategy to get to new markets. For EAFIT university, the internationalization is one of the key strategies to achieve the strategic planning 2012-2018 goal and thus continuing education should work as the first exploration process in every new market. Using these strengths properly should minimize the risk of a failed entry.
5. Internationalization of EAFIT continuing education

5.1. Current internationalization moves

EAFIT continuing education has had some experiences in countries of the Latin and Central American region. In the last five years, around 5 courses have been given in Peru and Bolivia but also students from Universities in those countries have traveled to EAFIT's campus in Medellín to take continuing education programs. Most of those students have highly rated their experience in EAFIT, but the programs have failed to keep a continuity and mostly, they seem just like a one-time exercise. Central America, on the other hand, has a different story for continuing education programs and has become the preferred destination for the internationalization efforts of the institution.

5.1.1. Guatemala

The first country the university had presence in was Guatemala in 2009. Guatemala is a 14 million people country which makes it the second most populous in Central America after Mexico. The capital is Guatemala City with nearly 1 million people (Country Watch, 2017d). Other large cities are Mixco and Villanueva both with a population between 400,000 and 500,000 people.

Currently, Guatemala’s economy is one of the best performers in the region (“Euromonitor International Guatemala: Country Profile,” 2017). Real GDP has been growing between 3% and 4% for the past 5 years and the forecast continues to be good. Unemployment rate is one of the lowest of the region, with latest data under 3%. However, the availability of skilled labor is a serious constraint; less than 20% of the economically active population has completed a primary education. (“Euromonitor International Guatemala: Country Profile,” 2017).

Like Colombia and El Salvador, Guatemala faced a guerrilla war for over 36 years. In 1996, the government signed a peace agreement with the rebel groups which has brought political and economic stability. However, the crime rate in the country remains high, and suffers from an important human rights violations rate.

Guatemala has a relative small number of large Universities. Universidad de San Carlos de Guatemala (USAC) is a public non-profit higher education institution with about 141,000 students. With 346 years of history is one of the oldest of the region as well as one of the largest in the continent (Chúa, 2016). 97% of its students are enrolled in undergraduate programs and only 3% are in postgraduate. In terms of student numbers, this university is 12 times the size of EAFIT. On the private side, Universidad Rafael Landívar and Universidad Francisco Marroquín are two top representatives of Guatemalan institutions (“Unirank,” 2017).

The entry mode for this first attempt was a strategic alliance with a local institution with the purpose of promoting continuing education and graduate programs in the country. Panamerican Business School -PBS- was the selected partner. It was established in 2007.
(“aprende.guatemala.com,” 2017) and currently offers graduate and continuing education programs with several other universities in North and Latin America, for instance, Florida International University, Tecnológico de Monterrey and the Universidad de Valparaiso Chile among others (“Panamerican Business School,” 2017).

The alliance EAFIT-PBS started in 2008 and up to date it has had 450 students enrolled in different programs. In continuing education, sales and marketing are the two areas of study that have the most students during the 8 years of operation in the country. There have been also 35 students from graduate programs such as the Master in Business Administration and the Master in Finance Administration.

PBS performs the marketing, enrolling and registration process for students in Guatemala. The portfolio to be offered is defined from both parties. PBS then establishes with EAFIT continuing education a schedule for the courses, and EAFIT hires and sends the professors accordingly. PBS then sends a payment to EAFIT depending on the hours of teaching. PBS makes all the travel arrangements directly so EAFIT does not have to worry about airplane tickets or hotel accommodation. Classes are held directly at PBS facilities in Guatemala City.

Despite certain financial issues, for EAFIT this alliance can be considered a successful one. The program has had continuity, and it exposes the EAFIT brand internationally together with other important Latin American universities that also have alliances with PBS.

5.1.2. Panama

In recent years the university increased its interests in Panama, a well-known Colombian neighbor. As of 2017, population in this country is getting close to 4 million people with Panama City as capital and largest city with nearly 860 thousand people. (The World Bank, 2017a). Panama’s history is strongly bonded to Colombia as it was part of the Gran Colombia that was formed in 1821 and comprised Colombia, Venezuela, Ecuador, Peru and Bolivia. In 1830, the Gran Colombia collapsed but Panama stayed as part of Colombia. By 1903 and with the help of the United States (US), Panama declared independence and so the US secured a sovereign zone in which to build the Panama Canal, a strategic geopolitical move that remained under US control until 1999.

In the last years, the economy of Panama has shown a remarkable growing trend in the region. From 2011 to 2015, the average growth on real GDP was 7.65% which is one of the highest in Latin America. Services account for over 70% of GDP (Country Watch, 2017g) which includes the administration of the canal, the Colon free trade zone, a robust banking system and the tourism sector.

Panama is a country with over 65,000 students attending the University of Panama, the Technological University, and the University of Santa Maria La Antigua, a private Catholic institution. Including smaller colleges, there are more than 25 institutions of higher education in Panama, which are few relative to the size of the country.
EAFIT is currently promoting graduate and continuing education programs in this country and has established a facility in Panama City for administrative purposes. Classes however are scheduled to be held initially at hotels in the surrounding areas. Investment in Panama is a direct FDI strategy, no alliances or partnerships have been established so far.

5.1.3. Virtual entry mode

In the last year, EAFIT Virtual has launched 2 massive open online courses (MOOCS) with excellent international results. The participation of foreign countries has been remarkable. This area will continue to launch more programs soon.

The first course was called “Development of innovative ideas” and had more than 7,000 participants from all over the world. The distribution per region is as follows:

<table>
<thead>
<tr>
<th>Region</th>
<th>Participants</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>South America</td>
<td>3870</td>
<td>54%</td>
</tr>
<tr>
<td>Europe</td>
<td>1836</td>
<td>26%</td>
</tr>
<tr>
<td>North America</td>
<td>928</td>
<td>13%</td>
</tr>
<tr>
<td>Central America and the Caribbean</td>
<td>454</td>
<td>6%</td>
</tr>
<tr>
<td>Africa</td>
<td>6</td>
<td>0%</td>
</tr>
<tr>
<td>Asia</td>
<td>5</td>
<td>0%</td>
</tr>
<tr>
<td>Oceania</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>7101</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Table 1: Distribution of Participants of “Development of innovative ideas” mooc*

One second course, “Pre-reading and post-reading for document understanding” achieved more than 5,000 participants and had students from all over the world:

<table>
<thead>
<tr>
<th>Region</th>
<th>Participants</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>South America</td>
<td>2653</td>
<td>53%</td>
</tr>
<tr>
<td>Europe</td>
<td>1391</td>
<td>28%</td>
</tr>
<tr>
<td>North America</td>
<td>669</td>
<td>13%</td>
</tr>
<tr>
<td>Central America and the Caribbean</td>
<td>311</td>
<td>6%</td>
</tr>
<tr>
<td>Asia</td>
<td>8</td>
<td>0.2%</td>
</tr>
<tr>
<td>Africa</td>
<td>6</td>
<td>0.1%</td>
</tr>
<tr>
<td>Oceania</td>
<td>2</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>5040</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Table 2: Distribution of participants of “Pre-reading and post-reading for document understanding” mooc*
In both cases, the participation of Central America and the Caribbean is 6%. In the first case, this percentage was achieved with 454 participants, and the country from this region with the most participation is the Dominican Republic with 91 students.

<table>
<thead>
<tr>
<th>Region</th>
<th>Country</th>
<th>Participants</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central America and the Caribbean</td>
<td>Dominican Republic</td>
<td>91</td>
<td>20.04%</td>
</tr>
<tr>
<td></td>
<td>El Salvador</td>
<td>85</td>
<td>18.72%</td>
</tr>
<tr>
<td></td>
<td>Guatemala</td>
<td>80</td>
<td>17.62%</td>
</tr>
<tr>
<td></td>
<td>Costa Rica</td>
<td>60</td>
<td>13.22%</td>
</tr>
<tr>
<td></td>
<td>Honduras</td>
<td>45</td>
<td>9.91%</td>
</tr>
<tr>
<td></td>
<td>Puerto Rico</td>
<td>37</td>
<td>8.15%</td>
</tr>
<tr>
<td></td>
<td>Nicaragua</td>
<td>32</td>
<td>7.05%</td>
</tr>
<tr>
<td></td>
<td>Panama</td>
<td>22</td>
<td>4.85%</td>
</tr>
<tr>
<td></td>
<td>Aruba</td>
<td>1</td>
<td>0.22%</td>
</tr>
<tr>
<td></td>
<td>Barbados</td>
<td>1</td>
<td>0.22%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td><strong>454</strong></td>
<td><strong>100.00%</strong></td>
</tr>
</tbody>
</table>

*Table 3: Participants per country from the Central America and the Caribbean region in “Development of innovative ideas”*

In the second mooc, the distribution also shows Dominican Republic as the country from the region with most participants.

<table>
<thead>
<tr>
<th>Region</th>
<th>Country</th>
<th>Participants</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central America and the Caribbean</td>
<td>Dominican Republic</td>
<td>79</td>
<td>25.4%</td>
</tr>
<tr>
<td></td>
<td>Guatemala</td>
<td>63</td>
<td>20.3%</td>
</tr>
<tr>
<td></td>
<td>El Salvador</td>
<td>57</td>
<td>18.3%</td>
</tr>
<tr>
<td></td>
<td>Costa Rica</td>
<td>31</td>
<td>10.0%</td>
</tr>
<tr>
<td></td>
<td>Honduras</td>
<td>22</td>
<td>7.1%</td>
</tr>
<tr>
<td></td>
<td>Nicaragua</td>
<td>21</td>
<td>6.8%</td>
</tr>
<tr>
<td></td>
<td>Panama</td>
<td>18</td>
<td>5.8%</td>
</tr>
<tr>
<td></td>
<td>Puerto Rico</td>
<td>18</td>
<td>5.8%</td>
</tr>
<tr>
<td></td>
<td>Haiti</td>
<td>2</td>
<td>0.6%</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td><strong>311</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

*Table 4: Participants per country from the Central America and the Caribbean region in “Pre-reading and post-reading for document understanding”*

All these facts confirm the potential of EAFIT continuing education in the region. This paper intends to answer the question: Which one is the best country in Central America and the Caribbean for EAFIT’s continuing education to internationalize its service, and what would be a suggested entry mode in that country?

### 5.2. Potential markets for EAFIT continuing education

As analyzed before, Central America represents a potential destination for the internationalization of EAFIT Continuing Education. The Region shows macroeconomic
indicators that demonstrate interesting growth levels, some even higher than in other Latin American countries.

This research paper will evaluate and compare five countries which could represent other potential markets. These are: Costa Rica, Dominican Republic, El Salvador, Nicaragua and Honduras.

5.2.1. Country Profiles

5.2.1.1. Costa Rica

Political environment in Costa Rica is in general stable with democratic and peaceful elections. Current President, Luis Guillermo Solis is in charge since May 2014, he belongs to Citizens Actions Party (Partido Acción Ciudadana). The president has put big efforts in attracting new business interests to Costa Rica’s free trade zones. Some private enterprises however, continue to face contract frustration risks (Country Watch, 2017a).

Neither crime, terrorism or insurgency are big problems in Costa Rica, however, its location between main drug producers and the biggest drug market, has been steadily increasing the crime rate numbers. The United States is also the main security ally for Costa Rica, with both, San Jose and Washington, expressing concerns for criminal groups that use Costa Rica as a transit route for drug shipments (Country Risk, 2017).

In 2014, Intel decided to withdraw operations from the country. The manufacturing plant was responsible for a significant part of all the country’s exports. The government has however managed to secure new commitments from Intel to continue, not with a plant, but with a testing laboratory which has helped to compensate the economic concerns somehow (Country Watch, 2017a).

Another important project that is being developed is the construction of a USD 1 billion deep-water port along with a second phase: a mega container transshipment terminal. With the objective of increasing FDI and trading partners, the government has also sought out for new international trade agreements, that include China and Canada.

FDI in Costa Rica allowed the country to move from a commodity-based economy, to a low cost high tech manufacturing center in the region. Despite Intel and other companies closing operations, the country is still a competitive player in this field.

In order to diversify its economy, Costa Rica has signed several FTA with other Countries. In particular, Costa Rica is interested in becoming a member of the Pacific Alliance that also includes Peru, Chile, Mexico and Colombia. To become eligible, FTA’s must be signed with each of the members. Costa Rica is ending negotiations with Colombia to finish the only FTA they still don’t have. All these efforts show the commitment to open markets and reduce dependability on the United States (Country Watch, 2017a).
The United States is the main commercial partner, with 28.8 percent of the total exports and 48% of the total imports (Country Risk, 2017). The United States and Costa Rica have been traditionally positive allies. Around 85 of US big companies have invested in the country and are a major contribution to the economy.

Population of Costa Rica is near 5 million people. Predominant religion is Catholicism with a minor presence of evangelical protestants. Immigration from Nicaragua has increasingly become a concern for the government. The estimated 300,000-500,000 Nicaraguans in Costa Rica legally and illegally are an important source of mostly unskilled labor but also, place heavy demands on the social welfare system (Country Watch, 2017a)

### 5.2.1.2. Dominican Republic

Dominican Republic is a tourist destination by excellence and this sector becomes the main source of revenue for the Island. Agriculture is the second in importance with coffee, sugar and tobacco as representative products. However, the Dominican Republic remains one of the poorest countries in Latin and Central America.

By 2017, Dominican Republic population ascends to 10,5 million (Country Watch, 2017b). The country has long been viewed primarily as an exporter of sugar, coffee, and tobacco, but in recent years, the service sector has overtaken agriculture as the economy's largest employer, due to growth in telecommunications, tourism, and free trade zones. The economy is highly dependent on the US, the destination for more than half of its exports. Remittances from the US account for nearly one-tenth of GDP, equivalent to almost half of exports and three-quarters of tourism receipts.

The country suffers from marked income inequality; the poorest half of the population receives less than one-fifth of GDP, while the richest 10% enjoys nearly 40% of GDP (Country Watch, 2017b). High unemployment and underemployment remains an important long-term challenge. The Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) came into force in March 2007, boosting investment and exports, and reducing losses to the Asian garment industry. The growth of the Dominican Republic's economy rebounded from the global recession in 2010-12 and remains one of the fastest growing in the region, although its fiscal situation is weak.

### 5.2.1.3. El Salvador

In Central America, El Salvador is the smallest country with around 21,000 square kilometers. The current population of this country is slightly about 6 million people. El Salvador held one of the most violent civil wars in the continent between 1980 and 1992. This war against leftist guerrillas left around 75,000 victims (Country Watch, 2017c). After long extended peace negotiations finished in January 1992, the country started to increase political stability and social indicators. The National Republican Alliance or ARENA dominated elections for several periods after post war. It was only until 2009 that left winged Farabundo Marti National Liberation Front, or FMLN, a political party

composed of the political factions of the wartime guerrilla movement won the elections for president for the first time. Elections of 2014 were very close, but again left as winner a candidate from FMLN. The tight victory is the result of country’s polarization regarding the peace accords from nearly 20 years before.

The largest city in the country is the capital, San Salvador, with 545,000 people (as of 2016). Other main cities include Soyapango with 329,000 people and Santa Ana with 176,000.

The Salvadoran economy remains strongly dependent on its major trade partner, the United States. Remittances are a key part of the country’s economy. It is expected that for 2017 around 15% of GDP will come from this source. Crime in El Salvador is one of the highest of the region, with street gangs (also known as Maras) performing attacks with grenades and other explosive devices against the security forces (Country Watch, 2017c).

5.2.1.4. Honduras

Honduras is a Central American Country located between Guatemala and Nicaragua but it also shares borders with El Salvador. It has 9,12 million people, 65% living under poverty conditions (Country Watch, 2017e).

In June 2009, President Zelaya was ousted from the country and taken to Costa Rica on what was defined as a coupe d’état. Zelaya was not restored and new elections were held in November 2009, becoming the first undemocratic transfer of power in the western hemisphere in recent years. All this political crisis lead economy to a crisis with a recovery in the following years.

The country is the second producer of coffee in the Region and in general agriculture is the main industrial sector. In recent years, textile industry has been growing trying to diversify its dependency on agriculture. This dependency becomes a high risk because the country is exposed to natural disasters such as hurricanes and earthquakes. In 1998, hurricane Mitch devastated the country leaving thousands of casualties.

Crime is another issue that Hondurans must deal with. Two of the largest cities in the country are classified within the 50 most dangerous ones in the world according to the murder rate per 100,000 inhabitants (Consejo Ciudadano para la Seguridad Pública y la Justicia Penal, 2017). San Pedro Sula lead the list for 3 years in a row and continues to be in the top 5 of most violent cities in the world. Street gangs and most of all, drug traffic disputes, are the reasons to explain such result just like in most of Central and Latin American cities.

5.2.1.5. Nicaragua

Nicaragua is located between Honduras and Costa Rica. Its population is almost 6 million people. Several civil wars with guerrilla groups involved and major natural disasters, have
made of Nicaragua the second poorest country in the western hemisphere just after Haiti. Current president Daniel Ortega, a former Sandinista leader is running his third term and has modified the constitution to allow indefinite reelection distancing the country from democracy (Country Watch, 2017f).

Two strong hurricanes have hit the country in recent years. Hurricane Mitch in 1998 killed thousands of people and destroyed 70% of the road infrastructure. It also devastated cereal production and other exporting commodities seriously affecting the economy in the country. In 2005, a new Hurricane, Stan hit again with similar results as those of hurricane Mitch (Country Watch, 2017f).

After several years of economic recovery, 2009 global economic crisis brought down growth back to red numbers, reflecting in a reduction of exports, remittances, investments and private consumption. Even though Nicaragua remains a poor country, it has shown a remarkable growth in recent years and also improving important indicators like population living under poverty line that went from 65.6% in 2005 to 57.7% in 2011 (Country Watch, 2017f).

In 2013, the government made a huge bet to build a new interoceanic canal to rival Panama Canal. They granted a Chinese company a 100 years deal in order to finance and construct the mega project that is estimated to cost U$40 billion. Despite several doubts regarding its funding and the 2020 completion deadline, some sources think that, if completed, the project could double Nicaragua’s economy (Country Watch, 2017f).

6. Methodology

A total of 12 variables were initially considered in order to understand the potential that the 5 different markets have for EAFIT Continuing Education. These were classified into 4 categories: Demographics, economic, sociocultural and political factors. These variables were defined along with the CEO of the continuing education department of the university EAFIT and represent the best approach to the characteristics that continuing education hopes to find in a market. Each of these variables were assigned a rate percentage according to the direction of the department and the development of the research.

With the purpose of validating the importance and rates of the variables defined, a survey was designed and sent to RECLA (Red de Educacion continua de Latino America). This association has more than 50 universities as members from countries all over Latin America and Spain and is the biggest association of continuing education in the region. The anonymous survey was answered by 14 universities who rated each variable according to the importance that they would give to each of them in the case of internationalizing continuing education services in other countries. This importance was classified from 1 to 4 in order to have a weighted average that can be used to rate the importance of the variable. The value 4 was for answers rated as “Very Important”, 3 for “Important”, 2 for “Slightly Important” and 1 for “Not important at all”.

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With the results of the survey and the country’s researched data, these variables were rated and synthesized in a site selection matrix that will help to identify the most appropriate market for EAFIT Continuing Education. The matrix was developed by Professor Camilo Franco from the International Business Department of EAFIT and is a useful tool to analyze and compare alternative countries for market selection.

For every variable, each country is rated from 5 to 1 according to the findings as there are 5 countries being analyzed. A score of 5 is the highest possible and represents the country with the most desired characteristics in that variable. A rate of 1 is the lowest score possible and it means the country has the poorest performance in that variable and goes against Continuing Education interests.

With the weight of each variable and the rate of each country, a weighted average for every country is obtained. The country with the highest average will be considered the first market option for upcoming internationalization efforts of the area.

6.1. Variables

6.1.1. Demographics

The number of inhabitants in a region is always important when looking at options to internationalize. The bigger the city, the higher the probability to get students enrolled in training and continuing education. For this category, three variables were taken into account: general population, population’s growth and the target market or people with an undergraduate degree.

6.1.1.1. Target Market

Continuing education students are usually people with a bachelor’s degree or a higher one, looking to update the knowledge in their fields or to acquire new learnings in other different field, but without having to invest a big amount of money in a graduate program. Thus, the target market for continuing education is the population with at least a bachelor’s degree. A country with a high literacy rate is likely to offer a greater potential for some products and services because individuals are likely to have a broader outlook on the types of products they consume and would, in general, be willing to accept new products and services (Ajami, Cool, Goddard, & Khambata, 2006).

6.1.1.2. Population

According to Ajami, Cool, Goddard, & Khambata (2006), population of a country is an important economic statistic. It is an important factor in influencing the size of market potential in a large number of goods and services, specially goods for personal consumption.
It is also interesting to get an idea of what the distribution of the population is like in every country. Areas of high population concentration within a country generally offer wider market potential (Ajami et al., 2006).

### 6.1.1.3. Population growth

It has significant importance for the analysis since an increase in the number of people in a country, can increase the active participants in the economic processes of growth and development. It also improves the economies of scales, allows for greater division of labor and, of course, increases the market size. A growing population indicates an expanding market in countries where the density of population is low and per capita incomes are rising but a high population growth rate in countries already overpopulated indicates growing economic difficulties (Ajami et al., 2006).

The results of the survey for this variable are summarized in table 5:

<table>
<thead>
<tr>
<th>Demographics</th>
<th>Very Important</th>
<th>Important</th>
<th>Slightly important</th>
<th>Not important at all</th>
<th>TOTAL</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population growth</td>
<td>14,29%</td>
<td>71,43%</td>
<td>7,14%</td>
<td>7,14%</td>
<td>14</td>
<td>2,93</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>10</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Population, large cities distribution</td>
<td>28,57%</td>
<td>57,14%</td>
<td>14,29%</td>
<td>0,00%</td>
<td>14</td>
<td>3,14</td>
</tr>
<tr>
<td></td>
<td>4</td>
<td>8</td>
<td>2</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Target population, population with an undergraduate degree</td>
<td>50,00%</td>
<td>35,71%</td>
<td>14,29%</td>
<td>0,00%</td>
<td>14</td>
<td>3,36</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>5</td>
<td>2</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 5: Survey results for the demographic factor*

### 6.1.2. Economic Factor

The economic performance of a country is an important part of the success of an internationalization process. The following variables will be analyzed:

#### 6.1.2.1. GDP Performance

GDP growth becomes one of the most important variables to analyze as it shows how strong and consistent is the economy health of a country and how volatile it can be. Even if US$ GDP is not big enough, a constant and solid growth over the last few years can represent a very good sign of a reliable economy that guarantees stable financial environments.
GDP per capita is one of the most popular measures used to compare countries. This performance indicator is calculated by dividing the GDP by the population at midyear. For a real significant comparison, PPP (Purchasing Power Parity) is frequently used to compare incomes adjusted for price differences in every country.

### 6.1.2.2. Development of Services, Manufacturing and Agricultural sectors

It is also important to analyze different sectors of the country’s economy to identify the particular areas that could offer business opportunities (Ajami et al., 2006). In recent years, an important share of EAFIT continuing education revenues have come from the Administration School, more specifically management, marketing and accounting, they represent almost 50% of total revenue. Engineering School also has had a significative participation with around 20% of Income.

This means that our main target markets are represented in the manufacturing and service sectors. The analysis of this variable intends to compare what is the share of these sectors in each country.

### 6.1.2.3. Costs of Operation

In most of the entry mode strategies, some level of mobility is involved. Operational costs such as air tickets, hotel accommodation average prices or renting classrooms can make a difference.

In the survey, the variable GDP growth was not asked, knowing that this variable is of major importance, validating the importance of the rest was considered. The original results are described in table number 6.

<table>
<thead>
<tr>
<th>Economics</th>
<th>Very Important</th>
<th>Important</th>
<th>Slightly important</th>
<th>Not important at all</th>
<th>TOTAL</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita (purchasing power)</td>
<td>35,71%</td>
<td>64,29%</td>
<td>0,00%</td>
<td>0,00%</td>
<td>14</td>
<td>3,36</td>
</tr>
<tr>
<td>Development of Services, Manufacturing and agriculture sectors</td>
<td>42,86%</td>
<td>57,14%</td>
<td>0,00%</td>
<td>0,00%</td>
<td>14</td>
<td>3,43</td>
</tr>
<tr>
<td>Operative cost for continuing education</td>
<td>50,00%</td>
<td>50,00%</td>
<td>0,00%</td>
<td>0,00%</td>
<td>14</td>
<td>3,50</td>
</tr>
</tbody>
</table>
6.1.3. Sociocultural Factor

To have a detailed information on continuing education offer is complicated, however, analyzing the programs offered by the main universities in each country can contribute to understand the competition that the university would face in each location. The analysis of this field is divided as follows:

6.1.3.1. Competition and the education sector

Education is fundamental for development and growth. This variable will analyze the total number of higher education institutions in each country, as well as the main universities and their position in the 2018 QS Latin American universities ranking. A brief analysis of main universities continuing education offer will be performed to evaluate the competition in the sector.

6.1.3.2. University students Population

This variable’s objective is to measure the potential number of future professional workers in the country which are potential participants for continuing education programs. It Is more of a look into the future to double check that the target market population remains attractive.

The results for this dimension are summarized in table number 7:

<table>
<thead>
<tr>
<th>Social cultural</th>
<th>Very Important</th>
<th>Important</th>
<th>Slightly important</th>
<th>Not important at all</th>
<th>TOTAL</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competence in the education sector: Quantity and level of universities</td>
<td>64.29%</td>
<td>35.71%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>14</td>
<td>3.64</td>
</tr>
<tr>
<td>Population of university students</td>
<td>42.86%</td>
<td>57.14%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>14</td>
<td>3.43</td>
</tr>
<tr>
<td>Field of knowledges</td>
<td>64.29%</td>
<td>35.71%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>14</td>
<td>3.64</td>
</tr>
<tr>
<td>Years of schooling</td>
<td>23.08%</td>
<td>76.92%</td>
<td>0.00%</td>
<td>0.00%</td>
<td>13</td>
<td>3.23</td>
</tr>
</tbody>
</table>

Table 7: Survey results for the sociocultural factor

6.1.4. Political Factor
Political stability and strength of institutions play an important role when selecting a country because a change in the game rules can considerably affect the sustainability of the operation abroad. The following variables will be considered:

### 6.1.4.1. Political stability index

In this variable there will be a brief research regarding the political stability of every country. Political stability can have several effects on a country’s economic performance and growth. First, a politically unstable country can disturb market activities and labor relationships, affecting the productivity in a negative way. Second, the level of investment will be lower in periods of high instability (Radu, 2015).

### 6.1.4.2. FDI from Colombia and presence of local companies

Flows of foreign direct investment are a good indicator of the general business environment that a market has and it can become critical for developing markets as it brings new technologies and in general, the living standards of the society rises favoring political stability.

The university also could find important customers in the Colombian companies that have presence in the region, making it also an interesting variable to analyze. FDI from Colombia will be analyzed and a brief research of the companies that have internationalized to these countries will be provided.

The results of the survey for this dimension are the following:

<table>
<thead>
<tr>
<th>Political</th>
<th>Very Important</th>
<th>Important</th>
<th>Slightly important</th>
<th>Not important at all</th>
<th>TOTAL</th>
<th>Weighted Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of doing Business</td>
<td>50,00%</td>
<td>28,57%</td>
<td>21,43%</td>
<td>0,00%</td>
<td>14</td>
<td>3,29</td>
</tr>
<tr>
<td></td>
<td>7</td>
<td>4</td>
<td>3</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FDI from Colombia</td>
<td>35,71%</td>
<td>35,71%</td>
<td>28,57%</td>
<td>0,00%</td>
<td>14</td>
<td>3,07</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political stability</td>
<td>57,14%</td>
<td>35,71%</td>
<td>7,14%</td>
<td>0,00%</td>
<td>14</td>
<td>3,50</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>5</td>
<td>1</td>
<td>0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>21,43%</td>
<td>57,14%</td>
<td>21,43%</td>
<td>0,00%</td>
<td>14</td>
<td>3,00</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>8</td>
<td>3</td>
<td>0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Table 8: Survey results for the political factor*
7. Findings

7.1. Demographic Analysis

7.1.1. Target Market

The UNESCO Institute for Statistics (2016) publishes on its website other indicators that can also bring relevant information regarding the education level of the target population of continuing education. They list the 25 year or older population of each country, which is a good representation of continuing education targeted ages and the percentage of this population that has a bachelor's degree. The results are shown in the following two charts.

![Population 25 or older](chart.png)

*Figure 1: Population 25 or older*

Source: (UNESCO Institute for Statistics, 2016)

The Dominican Republic is the country with the highest population of 25 years or older with 5.5 million people in 2015. Honduras and El Salvador lie in the middle range with 3.6
and 3.1 million, while Costa Rica runs last with 2.9 million. These data are coherent and correlated with the population of each country. For Nicaragua, there is not useful information available within the last 10 years. Guatemala and Panama information is shown as reference.

Source: (UNESCO Institute for Statistics, 2016)

With the available data, Costa Rica has an average of 19.9% of population 25-year-old or older with a bachelor’s degree. Deviation is small, the same as with Dominican Republic that averages 12.2%. In the case of El Salvador, the average is 8.8%. At the end of the classification lies Honduras with 4.9%. Guatemala and Panama information is shown as reference.

When combining the 25 year or older population data with the percentage of people 25 or older with a bachelor’s degree or higher, we can have a better idea of what is the target
population of continuing education in every country analyzed. The following graph summarizes the information.

![Population 25 or higher with a Bachelor Degree or higher](image)

Source: Constructed by the author with data from UNESCO Institute for Statistics (2016)

This information becomes useful for the definition of which country represents a better potential for continuing education. According to this information, Costa Rica and Dominican Republic both represent the higher target market from all the countries analyzed with a little more than 600,000 people having at least a bachelor’s degree. Even though Costa Rica has nearly half of Dominican Republic’s population, the number of professionals is very similar. Dominican Republic will be assigned a score of 5, Costa Rica will be the second rated with 4. Honduras and El Salvador are way below due to the minor percentage of persons 25 or older with a bachelor’s degree. El Salvador will be given a score of 3 and Honduras a score 2.

Since Nicaragua does not have this information available, the potential market of this country will be analyzed with the current population of university students that is described in the social-cultural environment.
7.1.2. Population

According to the 2016 World Bank report on population, the Dominican Republic is the country with the largest population of the five countries being analyzed with 10.6 million inhabitants. It is followed closely by Honduras with 9.1 million people. El Salvador comes next with a stable 6.3 million people, Nicaragua is close with 6.1 million and Costa Rica goes last with 4.9 million inhabitants. Guatemala and Panama information is shown as reference.

![Population Chart](image)

*Figure 4: Population*

Source: (The World Bank, 2017b)

Costa Rica’s population of 4,857,274 is distributed very homogeneously among many towns. As a matter of fact, its capital San Jose, only accounts for 7% of the population with 335,000 people living in it. However, many of these cities, 31 to be more precise, conform what is called the greater metropolitan area with a population estimated to reach 2.7 million people or around 60% of total country's population.
Santo Domingo, the capital of the Dominican Republic represents 24% of the total population in the country. There are 3 other cities in this country with remarkable populations which are Santiago de los Caballeros with 550,753 persons, Los Alcarrizos with 245,269 and La Romana with 224,882. In this case, population is more concentrated in a few cities, with locations over 5,000 people accounting for 60% of the total population of the country.

In the Case of el Salvador, there are 2 major cities, San Salvador, the capital with 525,990 and Sopayango that has 329,708 people. A total of 44% of the population is represented by the locations with more than 5,000.

Honduras also has 2 major cities, Tegucigalpa with 850,848 people and San Pedro Sula with 489,466. They both represent 15% of total population, and the rest of locations with more than 5,000 habitants represents another 15% for a total of 30% of population (64 cities) having more than 5,000 habitants. This is the same number than Costa Rica, but Honduras concentrates more people on its two major cities.

Managua, the capital of city Nicaragua has a population of nearly 1 million people which represents an approximate 16% of total population. Other large cities are Leon with 174,000 and Masaya with 140,000 habitants.

According to this information, the country with better population characteristics is the Dominican Republic, not only has it the highest population, but also one big city like Santo Domingo with more than 2 million people. Dominican Republic will be given a score of 5 in this variable. Honduras has also important population characteristics, with 2 large cities and the second highest population, it will be given a score of 4. Because of its large metropolitan area, of more than 2 million people, Costa Rica will be given a score of 3 despite being the country with the lowest total population. Nicaragua and El Salvador both have a very similar total population, however, Nicaragua’s capital Managua, doubles the size of San Salvador, El Salvador’s largest city. That is why Nicaragua will have a score of 2 while El Salvador goes with 1.

7.1.3. Population growth

Among the 5 countries analyzed, Honduras is the one with the highest growth rate with 1.68% in 2016. The rest of the countries have a very similar rate except for El Salvador, which is the lowest of all and is the only one actually increasing as it went from 0.44% in 2007 to 0.51% in 2017. Guatemala and Panama information is shown as reference.
Even though Honduras is the country with the highest reduction in population rate in the last ten years, it continues to be the one with the highest growth pattern, slightly 3 times greater than El Salvador. It will have a score of 5, followed by Dominican Republic with 4, Nicaragua goes with 3, Costa Rica 2 and El Salvador is last with a score of 1.

### 7.2. Economic Analysis

#### 7.2.1. GDP Performance

The gross domestic product of every country is the major economic measure of the performance of the governments across time. More specifically, the growth of GDP can indicate whether a country has robust foundations that can undergo a global or regional crisis in a better way. The following graph summarizes the performance from the last 10 years.
In the last three years, the Dominican Republic has shown a significant growth over 6.5%, one of the highest of the whole Latin American region. It has mostly been pushed by the tourism and telecommunication sectors.

A GDP growth forecast made by Passport (2017) shows a very similar trend for all these countries. Best forecast is for Dominican Republic with 4.5% followed by Nicaragua at 4%. Costa Rica and Honduras, both very similar ranging from 3.8% to 4% are next and El Salvador keeps last position in the projection with an average of 2.1% of growth for the next 5 years.
GDP per capita is one of the most popular indicators used to compare countries. It is calculated by dividing the GDP by the population at midyear. For a real significant comparison, PPP (Purchasing Power Parity) is frequently used to compare incomes adjusted for price differences in every country.

The World Bank (2017) lists this measurement in its world development indicators, and the results for the countries that are being analyzed are shown in the next graphic. The results for Colombia are also shown in order to compare with the other countries.

Source: Passport (2017)
Costa Rica is ahead of the group with a GDP per capita in 2016 of U$16,642 followed closely by Dominican Republic with U$15,234. In fact, from 2007 to 2014, Dominican Republic had very similar values as Colombia, but from 2015 on, Dominican Republic surpassed Colombia. This can be explained by the exchange rate climb in Colombia due to the international falls in oil prices. El Salvador comes next with U$8,634 of GDP per capita while Nicaragua and Honduras are last with only U$5,551 and U$4,746 respectively.

The International Monetary Fund (2017) reports in its website a projection for different countries of the GDP per capita PPP from 2017 to 2022.

Figure 8: GDP per capita

Source: (The World Bank, 2017c)
In this projection, the trend shown in the data from 2007 to 2016 is confirmed, and shows Dominican Republic surpassing Costa Rica sometime between 2018 and 2019. Colombia and Costa Rica grow at a very similar pace, while El Salvador and Honduras do not grow as much as their similar.

The Dominican Republic will be given a score of 5 in this variable. Costa Rica will have a score of 4 since its GDP growth is one of the highest and the GDP per capita is the one of the highest rated. The next country with the best performance in recent years is Nicaragua, even though its GDP per capita is not as good as other countries. Nicaragua will be rated with 3. Honduras growth has laid between 3.5% and 4% since 2010 and will be given a 2, while El Salvador is the weakest economy of all 4 countries with an average of 2% in recent years, it will be the last rated with 1.

7.2.2. Development of service, manufacturing and agricultural sectors

This variable pretends to analyze how strong is the manufacturing and service industry in every country. As mentioned before, the continuing education programs population target is people in working ages who already have a job in industry or has its own entrepreneur project. The analysis is based on data from the world development indicators available in
The World Bank (2017) web site. This performance indicator measures the participation of the Agriculture, Industry and Service sectors as percentage of the GDP.

7.2.2.1. Colombia

![Diagram of Sectors in Colombia]

Figure 10: Development of economic sectors in Colombia

The development of the economic sector in Colombia is shown as reference. Colombia shows a steady behavior in the share of services, ranging from 61.6% in the year 2000 to 60.3% in 2016. As a matter of fact, in the years between, the share of the service sector has slightly decrease. The manufacturing sector has shown a growing trend, which decreased in the last two years and the agricultural sector, had a decreasing trend until 2015 when it began to increase some few points.
7.2.2.2. Costa Rica

In Costa Rica the service sector has grown 15% since 1990, taken 8% from the industry sector and 7% from the agriculture sector. This increasing trend in the service sector changes the way of living of the population, requiring workers with higher and more specialized skills, a challenge that the country must be prepared for and the education plays a fundamental role in this situation. According to Country Watch (2016), the top 10 sectors in Costa Rica are: Education 8.8% of nominal GDP, health and social services 7.3%, retail trade - total 7.0%, construction 6.0%, wholesale trade 5.0% sanitation, trade organizations 4.8%, public admin and defense 4.7%, banking and related financial 4.5%, communications 4.3% and real estate 4.3%. Costa Rica will have a score of 5 in this variable due to its high developed sectors of services and manufacturing.
7.2.2.3. Dominican Republic

Source: The World Bank (2017)

In the Dominican Republic the service sector also had a growth between 1990 and 2009, in this case of 14%. From 2009 on, its participation has been very steady increasing only 2.3% by 2016. Industry kept a very constant participation from 2009 to 2016 averaging 27.6% with a very small deviation. Agriculture on the other side, decreased from 14.5% in 1990 to 6.8% in 2008 and has kept very similar in the following years reaching 6.1% in 2016. The Dominican Republic will be assigned a 4 in this variable.
In El Salvador, industry is losing participation at a low rate. From 2008 to 2016 it lost only 1.4% of participation in GDP Value which is almost the same that the agriculture lost (1.5%) in the same period. Services had, on the other side won that 3% participation. The country will have a score of 3.
7.2.2.5. Honduras

![Sectors in Honduras](image)

**Figure 14: Development of economic sectors in Honduras**

Source: The World Bank (2017)

Honduras has the second weakest service sector of all 5 countries with an average 57.5% during the years analyzed and has one of the biggest agriculture sector with a value in 2016 of 13.5%. It will have a score of 2.
7.2.2.6. Nicaragua

![Sectors in Nicaragua](image)

**Figure 15: Development of economic sectors in Nicaragua**

Source: The World Bank (2017)

This country has the biggest participation of the Agricultural sector of the entire region analyzed. From 2007 to 2016 it has only lost 0.9% moving from 18.2% to 17.3%. In general, is the only one country whose service sector is not gaining participation, on the contrary, it has lost to the industry sector that went from 23% in 2000 to 26.8% in 2016. Nicaragua will have a score of 1.

7.2.3. Costs of Operation

An important part of operation costs when internationalizing is the logistics involved in providing the service. Of course, this will depend on the strategy of the internationalization, whether being greenfield, joint venture, online courses or any other. However, some operative costs can offer an idea about how expensive can be to have activity in each of the countries. Airplane tickets for teachers, and minimum wages will be analyzed.
7.2.3.1. Airplane tickets

For this variable, the cost of traveling from Medellin to San Jose, Santo Domingo, San Salvador and Tegucigalpa will be analyzed. The time of flight becomes an important fact for this purpose since the human resource involved in this traveling, the teachers; usually have very limited and restricted time. The shortest duration, or at least a reasonable one will be the first criteria to collect data. The following chart summarizes the cost of a round trip from Medellin to each of the capital cities.

<table>
<thead>
<tr>
<th></th>
<th>San Jose de Costa Rica</th>
<th>Santo Domingo</th>
<th>San Salvador</th>
<th>Managua</th>
<th>Tegucigalpa</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticket cost round trip COP</td>
<td>$1,927,019</td>
<td>$2,395,400</td>
<td>$2,345,250</td>
<td>$2,437,632</td>
<td>$2,598,950</td>
</tr>
<tr>
<td>Airline - Scales</td>
<td>Copa through Panama City</td>
<td>Copa through Panama City</td>
<td>Avianca - Direct</td>
<td>Avianca through San Salvador</td>
<td>Copa through Panama City</td>
</tr>
<tr>
<td>Average Flight time</td>
<td>3 h 20 min each trip</td>
<td>5 h 10 min each trip</td>
<td>2 h 50 min each trip</td>
<td>5 h 10 min each trip</td>
<td>4 h 20 min each trip</td>
</tr>
</tbody>
</table>

*Table 9: Airplane Tickets costs*


In general, airplane tickets to San Jose de Costa Rica are cheaper than the other capital cities. Time of flight is also one of the shortest, 3 hours and 20 minutes, only surpassed by San Salvador with 2 hours and 50 minutes, due to Avianca having direct flights to this city, while for the others, a scale in Panama City is necessary. Tegucigalpa is the most expensive of all and Santo Domingo is the route with the longest times with more than 5 hours each trip.

7.2.3.2. Wages

Assuming an operation in each of the cities above mentioned, it is helpful to have at least one person coordinating domestically. The profile for this position should be filled with someone with undergraduate degree. This is what was found in each of the countries for this profile:
<table>
<thead>
<tr>
<th></th>
<th>Currency</th>
<th>Costa Rica</th>
<th>Dominican Republic</th>
<th>El Salvador</th>
<th>Nicaragua</th>
<th>Honduras</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Wage for a</td>
<td>Local</td>
<td>$629,395</td>
<td>$25,000</td>
<td>$450</td>
<td>$15,000</td>
<td>$12,000</td>
</tr>
<tr>
<td>professional</td>
<td>Currency</td>
<td>$1,118</td>
<td>$520</td>
<td>$450</td>
<td>$487</td>
<td>$508</td>
</tr>
</tbody>
</table>

Table 10: Average wage for a professional

Source: Retrieved from “Salarios minimos de la region Centroamericana” (2017), America economia Centro America (2017)

Average wage for professionals in administration in Nicaragua, El Salvador, Dominican Republic and Honduras are very similar ranging from U$450 to U$520. The difference is in Costa Rica where a professional receives a minimum wage of U$1,118, practically twice the average value in the other countries.

7.3. Social Cultural Analysis

The analysis of this variable will begin with a brief description of the educational system in every country to get familiar with the terms used in every country. To describe the level of competition, the more important and representative universities of the country will be listed along with international rankings and the offer of continuing education available in each of them.

7.3.1. Competition and the education sector

7.3.1.1. Costa Rica

Costa Rica educational system consist of 6 years of elementary school followed by 5 to 6 years of high school. The first 3 years are basis and the other 2 or 3 years are specialized training that become certified by the Costa Rican Ministry of Education. Upon completion, the student receives a Bachillerato Diploma in Arts or science.

There are around 60 universities in Costa Rica. 5 of them are public universities (Universidad de Costa Rica, Instituto Tecnológico de Costa Rica, Universidad Nacional, Universidad Estatal a Distancia and Universidad Tecnica Nacional). Also 5 universities are international (INCAE, CATIE, Universidad para la Paz, EARTH and ICAP) and there are 25 higher education institutions catalogued as non-universities offering technological programs.

The distribution of students for the year 2014 between private and public institutions is shown in the next graph.
The largest and oldest public institution is Universidad de Costa Rica (UCR), located in the city of San Pedro, close to capital San Jose. They have several campuses and, putting them all together, around 39,700 students are enrolled (Programa Estado de la Nación, 2015) which makes 20% of total students of higher education in the country. UCR is listed in the 2018 QS Latin American University Rankings at number 19 and is also ranked in the QS world university ranking at number 411-420 (QS Top Universities, 2017).

UCR offers a wide variety of undergraduate programs in different fields such as Arts, Plastic Arts, Music Arts, Science, Philosophy, Modern Languages, Linguistics, Literature, Agriculture, Zootechnic, Food Technology, Administration, Education, Economic, Statistics and others. Between undergraduate and graduate programs, it has over 350 options to choose from.

Continuing education also forms part of the UCR portfolio. They are divided in 7 areas: Technology and engineering, arts and languages, health sciences, social sciences and education. The technology and engineering area offers courses in CISCO networking, civil engineering and metrology. English, French, Chinese, Italian, Japanese, Portuguese, Russian and German are taught as continuing education programs as well as a full program in literature with several modules like writing and spelling, oral communications techniques or writing for electronic media. Plastic and music arts both offer a complete set of courses for children, teens and adults including workshops, lectures and master classes. Health sciences offers courses in nursing, nutrition, dental assistant and food technology. Social sciences has the CICAP (Centro de investigacion y capacitación en el
sector publico), a complete center for research and training in public administration founded in 1976 but also has a full portfolio from the school of economics, political studies, collective communication, psychology and even a school for parents. The education direction provides courses for teachers of the university as well as other audiences like deaf people or seniors over 50 years old.

The second most important higher institution in the country is Universidad Nacional de Costa Rica (UNA). It is also a public university with 17,800 students enrolled and is located in the city of Heredia, 11 km away from San Jose. It has 2 research centers and 5 different Faculties: Philosophy and literature, Social Sciences, Earth and Sea, Natural Science, Health Science, each with a wide undergraduate offer. UNA is listed in the 2018 QS Latin American University Rankings at number 48 and is also ranked in the QS world university ranking at number 801-1,000 (QS Top Universities, 2017). Continuing education in this university is called Centro de Estudios Generales (CEG) and offers courses in 4 different disciplines: Social Sciences, Science and Technology, Philosophy and Literature and Arts. Each of these disciplines offer between 15 and 25 programs turning the university into a strong continuing education source.

INCAE business school is a private university classified as one of the best places for business administration in Costa Rica. It offers several MBA programs that are cataloged between the best in the world (place 89) by the Financial Times MBA world Ranking (Financial Times, 2017). The continuing education program is called ExEd (Executive Education) and it is formed by programs such as Entrepreneurship, leadership, digital marketing, innovation and strategy, finance and operations (“INCAE,” 2017). It is a direct competitor to EAFIT because of its quality in teaching business and administrative sciences.

ULACIT (Universidad Latinoamericana de Ciencia y Tecnologia) is also a private initiative with high reputation and over 2,000 students enrolled. ULACIT is listed in the 2018 QS Latin American University Rankings at number 141 (QS Top Universities, 2017). It offers 12 different undergraduate programs in fields like Business Administration, Engineering, Economy, Education and Accounting among others. Each faculty manages its own continuing education programs and they all have a wide offer to open public.

Other Universities in Costa Rica are Instituto Tecnológico de Costa Rica (TEC), Centro Agronómico Tropical de Investigación y Enseñanza, University for Peace (Universidad para La Paz), Universidad Earth just to mention a few. Each one of them offers a wide variety of continuing education programs that turns Costa Rica into a country with a high competition in the education sector and particularly in continuing education.

The Costa Rican investment promotion agency (CINDE) made a survey with a representative group of companies about what undergraduate programs are preferred by Costa Rican companies. In the service sector, the areas with the highest demand are: 1. Software/systems engineering, 2. Business administration, 3. Accounting, 4. Industrial Engineering, 5. Electronic Engineering (“The talent place,” 2017).
The survey also included a research about what certification are the most demanded among companies in the country and what soft skills the managers are looking at. Project management, SAP, lean six sigma and cisco, among others, are the top certifications while team work, leadership, communication, customer service and problem solving are the soft skills preferred by domestic enterprises ("The talent place," 2017).

### 7.3.1.2. Dominican Republic

The education system in Dominican Republic has 3 main levels: primary, secondary, and higher. Education is free and mandatory from ages 5 to 14. The different categories of secondary school are six-year liceo (bachillerato certificate will be given after completion), polytechnics, teacher training and vocational schools ("Study Country," 2016a)

An investigation report made by the Oficina Nacional de Estadística (2016) found that the most popular undergraduate program in the Dominican Republic is accounting with 12% of the share, followed by education related programs (11.5%) and then business administration (9.5%). The programs with the lowest demand are those related to economics with only 0.7% of the share. The same report evaluates the percentage of people with a professional degree that continues studying and completes a graduate degree.

![Pie chart showing university student distribution in Dominican Republic](image)

**Figure 17: University student distribution Dominican Republic**

Source: Oficina Nacional de Estadística (2016)
From the people with an undergraduate degree, 12% choose to continue with a diploma degree, very similar to the percentage that selects to continue with a master’s degree (13%).

The Ministerio de Educacion (2014) of the country reports the total number of students in higher education institutions in the Dominican Republic. A total of 48 higher education institutes were reported in 2014 from which 33 were universities. The number of student registrations for this period reached 455,822.

One of Dominican Republic best ranked universities is Pontificia Universidad Catolica Madre y Maestra (PUCMM). It was established in 1962 and it has two campuses, one in Santo Domingo and one in Santiago de los Caballeros. Around 15,000 students are enrolled in all its subjects. It has four faculties, Administration and social sciences, Health sciences, Engineering, and Human sciences. QS rankings of the best Latin American universities for 2018 rates it at number 201-250 (QS Top Universities, 2017). Continuing education is offered through TEP (Centro de Tecnologia y educacion permanente) that includes both technical programs and continuing education programs. It currently offers 7 programs in continuing education, those are: Microsoft excel®, ISO 9001-2015 internal auditor, sales management, food manipulation and hygiene, competitive strategy and competitor analysis, visual merchandising and hospital management (“Tep PUCMM,” 2017).

Universidad Autonoma de Santo Domingo (UASD) is the oldest university in Dominican Republic and Latin America, it was established back in 1538. The university has 7 faculties in several areas including Science, literature, Languages, Engineering and others with more than 236,000 students over all. It is ranked number 201-250 in the QS Latin American universities 2018 (QS Top Universities, 2017). Every faculty has its own continuing education programs and this structure makes it difficult to track the total offer in this area. An approximate number can be between 5 to 10 programs in each faculty.

Universidad Iberoamericana (UNIBE) was established in 1982 and in short, time has achieved to become one of the most recognized universities in the Country. From all the Dominican Universities it is the best ranked in the QS Latin American universities 2018 at place 123 (QS Top Universities, 2017). UNIBE has a strong continuing education center that works together with the alumni center. Some of the programs currently being offered in the website are: Project management, Finance for non-financial, artistic drawing, community management, film industry, international business, data warehouse and business intelligence and e-commerce among others. Its campus is located in Santo Domingo and it has around 5,600 students enrolled.

One more University to consider in Dominican Republic is the Instituto Tecnológico de Santo Domingo (INTEC). With 4,500 students enrolled, this institution is well ranked in the QS Latin America 2018 list at number 201-250 (QS Top Universities, 2017). Campus is located on Santo Domingo and it recently opened new buildings for the Medicine and Graduate schools. It has a wide portfolio on continuing education which they call
“Permanent Education”. Engineering is their specialty, but they also have an interesting offer in Management.

7.3.1.3. Honduras

Education system in Honduras begins with a six-year basic elementary school where they are taught practical subjects like agriculture and physical education. Secondary consists of two levels, lower level which is a 2-year general and the pre-vocational cycles that prepare them for vocational career or the next academic level. The Upper level is called the diversified education for two years for students 16 to 18 years old, and students who have completed the general culture common cycle under the Lower level (“Study Country,” 2016b)

For the year 2014, the total number of students enrolled in higher education institutions in Honduras was 185,875 including both undergraduate (97%) and graduate (3%) participants. The public universities had a share of 64% while private universities accounted for only 35% of student population. From 2010 to 2014, the graduate students trend is actually negative as the number of students decreased from 5,505 to 4,927 (Duriez, López, & Moncada, 2016).

The field that the students prefer the most in Honduras is social science, commerce and education with almost 40% of share while education comes second with 20% of participation. Health and social services is third with 14% and engineering has a 13% share. Honduras has 20 higher education institutes (6 public and 14 private) where 16 of them are Universities (5 public and 11 private) (Duriez et al., 2016).

Located in Tegucigalpa, Universidad Nacional Autonoma de Honduras (UNAH) is the biggest university in the country due to its more than 69,000 students enrolled in its programs. This institution is listed in number 191-200 in the QS Latin America 2018, being the best on the Honduran universities in this ranking. It has an impressive number of 135 undergraduate and graduate programs in its portfolio. Despite the huge offer in graduate and undergraduate programs, continuing education does not have the same portfolio. Each faculty manages its own programs, but they are a limited number.

Universidad Tecnologica Centro Americana (UNITEC) is a private institution with 30 years of history and near 8,000 students enrolled. It is listed in the QS Latin America 2018 ranking at 201-250 (QS Top Universities, 2017). With campuses on Tegucigalpa and San Pedro Sula, It offers programs supported by 4 faculties. Continuing education though, seems limited in number, only 6 to 8 programs are offered in each of the two campuses which results in a little number compared to the number of students and the portfolio of graduate and undergraduate programs.

The Universidad Pedagógica Nacional Francisco Morazán (UPNFM) is the third Hondurean University in the QS Ranking Latin America 2018 at number 301-400 (QS Top Universities, 2017). This university has graduate and undergraduate programs oriented
to pedagogy at all levels and it has more than 7,200 students enrolled. The continuing education portfolio has the same emphasis on education.

Universidad Tecnologica de Honduras (UTH) is a private university with several campuses all over the country. The main facility is in San Pedro de Sula but it has locations on Tegucigalpa, El Progreso, La Ceiba, Puerto Cortes, Santa Barbara, Siguatepeque, Choloma and Roatan which in total enrolls more than 15,000 students. It does not have a clear strategy on continuing education programs, but it offers some courses specifically in digital marketing and community manager.

7.3.1.4. El Salvador

Mandatory education in El Salvador is entered at the age of 7 and exit at the age of 15. Basic primary education is 9 years long and is followed by a middle secondary education of 2 years, which is a preparation to help students get a university spot (“Study Country,” 2016c)

The total number of registrations in universities for the year 2016 in the country was 168,018. There is only one public university that with 46,279 students represents 27.54% of the total student population in the country. The other 72.46% or 121,739 students are distributed among 23 private universities. The undergraduate programs with the highest demand are Business administration with 15,426, followed by Law with 12,366 students and Marketing is next with 10,840 students (Ministerio de Educación, 2017).

With 176 years of history, Universidad de El Salvador (UES) is the only public university and the largest in the country. Around 46,000 students are enrolled in their different programs. This is the best ranked university in the QS Latin American universities in 2018 at number 191-200 (QS Top Universities, 2017). With 4 campuses and 9 faculties, it has a wide portfolio of undergraduate and graduate programs and each faculty runs their own continuing education program, but they don’t have a strong offer as they main objective seems to be undergraduate programs both in campus and online.

Universidad Centro Americana Jose Simeon Canas (UCA) is a private initiative that was established in 1952. With over 8,000 students and more than 20 undergraduate programs, the university has a moderate offer in continuing education. Short courses (up to 16 hours) are preferred over long diplomas (more than 100 hours). This is the second best ranked university in the QS Latin American universities in 2018 at number 201-250 (QS Top Universities, 2017).

Universidad Francisco Gavidia (UFG) enrolls around 10,000 students, and with a strong offer in undergraduate and graduate programs is cataloged as one of the top universities in El Salvador. It is ranked at 301-400 according to QS Latin America universities 2018 (QS Top Universities, 2017). Its continuing education offer is centralized in one department and it has a wide diversity of subjects.
The areas with the highest demand from companies in El Salvador are Economics, Business Administration, Marketing, Accounting and Informatics. Among the most requested soft skills are communication and customer service ("Te Coloco El Salvador," 2017)

7.3.1.5. Nicaragua

As of 2015, a total of 60 institutions of higher education had been legally constituted in Nicaragua, 7 of them in the previous 5 years. 10 of these institutions are public while the other 50 are private and between them they offer 840 programs among technical, undergraduate and graduate levels.

The oldest and largest university is Universidad Nacional Autonoma de Nicaragua (UNAN). This institution has 5 faculties, sciences and engineering, education and languages, economic sciences, health sciences and human and law sciences. With more than 28,000 students enrolled, this university is positioned 200-251 in the 2018 QS Latin American ranking of universities which turns it into the highest ranked of all the universities in the country (QS Top Universities, 2017). The university integrates the CEFC (cursos de especializacion y formación continua) that offers courses from the different faculties. Technology is the faculty with the strongest offer in continuing education.

Universidad Centroamericana (UCA) is the second best ranked university of Nicaragua in position 251-300 (QS Top Universities, 2017). With approximate 9,500 students enrolled, the university offers programs in 4 faculties. Those are the law sciences, human and communications, science, technology and environment, and economic sciences. Continuing education has an offer for 2017 of about 50 programs divided in the 4 different faculties.


The following table summarizes the information regarding main universities in each of the countries along with an estimated size of the continuing education offer based on the programs available for enrolling online.

<table>
<thead>
<tr>
<th>Country</th>
<th>University</th>
<th>QS Ranking Latin America</th>
<th>Continuing Education offer</th>
<th>Observations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costa Rica</td>
<td>Universidad de Costa Rica</td>
<td>18</td>
<td>Very Strong</td>
<td></td>
</tr>
<tr>
<td>Country</td>
<td>University</td>
<td>QS Ranking Latin America</td>
<td>Continuing Education offer</td>
<td>Observations</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------------------------------------------------</td>
<td>--------------------------</td>
<td>----------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Universidad Nacional de Costa Rica</td>
<td>50</td>
<td>Very Strong</td>
<td></td>
</tr>
<tr>
<td></td>
<td>INCAE business school</td>
<td>-</td>
<td>Very Strong</td>
<td>FT MBA rankings: 89 globally</td>
</tr>
<tr>
<td></td>
<td>Universidad Latinoamericana de Ciencia y Tecnologia</td>
<td>122</td>
<td>Strong</td>
<td></td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>Pontificia Universidad Catolica Madre y Maestra</td>
<td>181-190</td>
<td>Very Strong</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Universidad Autonoma de Santo Domingo</td>
<td>251-300</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Universidad Iberoamericana</td>
<td>151-160</td>
<td>Strong</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Instituto Tecnológico de Santo Domingo</td>
<td>251-300</td>
<td>Strong</td>
<td></td>
</tr>
<tr>
<td>Honduras</td>
<td>Universidad Nacional Autonoma de Honduras</td>
<td>171-180</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Universidad Tecnologica Centro Americana</td>
<td>201-250</td>
<td>Poor</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Universidad Pedagogica Nacional Francisco Morazan</td>
<td>301+</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Universidad Tecnologica de Honduras</td>
<td>301+</td>
<td>Poor</td>
<td></td>
</tr>
<tr>
<td>El Salvador</td>
<td>Universidad de El Salvador</td>
<td>201-250</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Universidad Centro Americana Jose Simeon Canas</td>
<td>201-250</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Universidad Francisco Gavidia</td>
<td>301+</td>
<td>Good</td>
<td></td>
</tr>
<tr>
<td>Nicaragua</td>
<td>Universidad Nacional Autonoma de Nicaragua</td>
<td>201-250</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Universidad Centroamericana</td>
<td>251-300</td>
<td>Poor</td>
<td></td>
</tr>
</tbody>
</table>

*Table 11: Top universities rankings*
Costa Rica is the only country with 2 universities in the top 50 of 2018 QS Latin American Rankings which means they are better ranked than EAFIT who came at position 71.

The high level of the two main universities in San Jose de Costa Rica, can make this market more difficult to access but also, is a sign that the country has a culture where education is important and there is already a high demand for it. For EAFIT Continuing Education, the existing demand is very important, this is the reason why Costa Rica will be assigned a score of 5 for this variable. The Dominican Republic, even though it doesn’t have any university ranked within the top 100, has 2 of them within the top 200. A score of 4 will be assigned to this country. Honduras, with one university in the first 200 will be given a 3, El Salvador will be assigned a score of 2 and Nicaragua will have a score of 1, which can be interpreted as the market with the poorest education quality of the group.

The quantity and distribution between public and private institutions is summarized in the following table.

<table>
<thead>
<tr>
<th>Country</th>
<th>Data from year</th>
<th>Number of HEI</th>
<th>Number of Students</th>
<th>% of Population</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Public Private Total</td>
<td>Public Private Total</td>
<td></td>
</tr>
<tr>
<td>Costa Rica</td>
<td>2014</td>
<td>5 55 60</td>
<td>100,055 101,547 201,602</td>
<td>4.2%</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>2014</td>
<td>3 45 48</td>
<td>198,299 257,523 455,822</td>
<td>4.3%</td>
</tr>
<tr>
<td>El Salvador</td>
<td>2016</td>
<td>1 23 24</td>
<td>46,279 121,739 168,018</td>
<td>2.6%</td>
</tr>
<tr>
<td>Honduras</td>
<td>2014</td>
<td>6 14 20</td>
<td>118,293 67,582 185,875</td>
<td>2.1%</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>2014</td>
<td>10 50 60</td>
<td>113,674 9,546 123,220</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Table 12: University student distribution summary

In regard to the upcoming number of potential graduates, the Dominican Republic is by far the country with the highest population of university students, thus it will have a score of 5. It is followed by Costa Rica with a score of 4 and Honduras, El Salvador and Nicaragua will have scores of 3, 2 and 1 respectively.

7.4. Political Analysis

7.4.1. Political stability

The political stability will be measured using the Political Risk index developed by Country Watch (2017). The indicator is based in diverse criteria and contains the following: political stability, political representation, democratic accountability, freedom of expression, security and crime, risk of conflict, human development, jurisprudence and regulatory
transparency, economic risk, foreign investment considerations, possibility of sovereign default, and corruption. Countries with high political risks are rated with scores close to 0 while those with few political risk are rated with scores close to 10.

![Political Index](image)

**Source:** (Country Watch, 2017a)

Costa Rica shows once again that the stability and prosperity of its society is an example to follow in the region. It has a political risk index of 8, the highest index among the group of countries being studied. El Salvador comes in second place with an index of 7. After a long civil war that came to an end in the 90’s, is surprising that these results are better than Dominican Republic, which got a score of 6. Constant tension with its poorest neighbor Haiti regarding illegal immigrants results in a complex scenario, perception of government corruption is one of the highest in the world and democracy, even though is stable, has to improve several points like separation of powers, accountability and lack of check and balances (A. M. Best, 2017). Honduras and Nicaragua have the highest political risk with a score of 5. Corruption, inequality and unemployment along with one of the highest crime rates in the world contributes to major problems in security.

### 7.4.2. FDI and Presence of Colombian companies

Banco de la Republica Colombia (2016) has published in its website all the information available in regard to the FDI that Colombia has made since 1994. When analyzing this FDI several interesting facts come out. For instance, from the 5 countries being analyzed, the one with the highest FDI from Colombia in the last ten years is El Salvador with 702.6
million dollars, which represents 39% of all FDI that was made on these countries in the 2007 – 2016 period. Honduras comes next with 30% (543 million dollars), Costa Rica goes in third place with 20% (372 million dollars). Dominican Republic received 11% or 200 million dollars and Nicaragua has only received 0.5 million dollars, way too low compared to the rest of the countries.

![Figure 19: FDI from Colombia](image)

Source: Banco de la Republica Colombia (2016)

2012 was the year when the highest investment was made with 857 million dollars. It turns out that this is 47% of all the investment during the 10-year period analyzed, and furthermore, the investment made between 2011 and 2013 accounts for 89% of all the investment in this period.

In Costa Rica, the highest investment was in 2012 due to the acquisition of the bank HSBC by Davivienda, the purchase of Pinturas Kativo by Pintuco and the investments of Decameron and Promitel. In El Salvador the highest investments came from Grupo Sura, Empresas Publicas de Medellin (Epm) and Davivienda in 2011 and 2012. Finally, Honduras had the investment in 2012 and 2013 of Davivienda by purchasing HSBC and the acquisition of Cementos Lafarge by Cementos Argos de Colombia (Cordero, 2015). From 2014 to 2016 and after these high investments, Dominican Republic has become the highest receiver of FDI with an average of 57% of all the Colombian FDI in these 5 countries despite the fact that is the fourth ranked country.
Figure 20: Distribution of FDI from Colombia

Source: Banco de la Republica Colombia (2016)

Costa Rica is one of the favorite countries in Central America for Colombian companies to internationalize. Expansion to this country began back in the 80’s when some of the big companies in Colombia were running away from the violence that the country went through in that decade (Portafolio, 2012). Companies such as Pintuco, Davivienda, Grupo Aval, Acesco, Olímpica, y Grupo Nutresa have invested in Costa Rica and in some markets, they have become leaders. That is the case of Pintuco that has controlled 33% of the production and sales of painting products. 15% of bank credit is handled by Davivienda and Aval, a fifth part of the supermarket business comes also from Colombian companies and the Banana business has a participation of 10% from our country. GEF-Punto Blanco Group has presence through Cacelsa, an importer and distributor of underwear and socks. Avianca, the first Colombian airline, has a portion of TACA and controls 58% of the flight movement. EPM, the Colombian group with investments in the energy sector in other countries in the region has a subsidiary in Costa Rica since 2015 (Epm, 2015). In 2006, a group of Colombian businessmen with investments in Costa Rica founded the Asociación de Empresarios Colombianos en Costa Rica (AECOL), an organization that promotes commerce generating an excellent environment for companies to invest in both countries (“Asociacion de empresarios colombianos en Costa Rica,” 2017).
Dominican Republic and Colombian share some interesting commercial relations. According to (Campos, 2015), Colombians do not need a visa to enter the Dominican Republic since 2015 and this has helped to increase tourism between both nations. Specifically, Dominican Republic became in 2015 the second destination in the Caribbean for Colombians just after Aruba. There are around a number of 20 Colombian companies with presence in the island, some of the most important are Avianca, Helados Bon (Nutresa), Quala, Odinsa (Argos), Familia, Leonisa, Elvapar, Productos Químicos Panamericanos, Brinsa, Cueros Velez, Nutresa, Onda de Mar, Casa Luker, CI Hermeco, Jon-sonen and Cementos Colón among others (El Tiempo, 2013). In 2009, the Camara de Comercio Colombo Dominicana was established, which has since then promoted commercial exchange between the two countries and encouraged domestic companies to invest in the Caribbean country (“Camara de comercio colombo dominicana,” 2015).

Highest investments (million dollars)

<table>
<thead>
<tr>
<th>Value</th>
<th>Year</th>
<th>Colombian Company</th>
<th>Target company</th>
<th>Country</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>2010</td>
<td>Banco de Bogotá</td>
<td>BAC Credomatic</td>
<td>Costa Rica</td>
<td>Financial and Insurance activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>900</td>
<td>2006</td>
<td>Davivienda</td>
<td>HSBC</td>
<td>Costa Rica</td>
<td>Financial and Insurance activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200</td>
<td>2011</td>
<td>Empresas Públicas de Medellín</td>
<td>Del Sur, ENSA</td>
<td>El Salvador</td>
<td>Financial and Insurance activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>119</td>
<td>2006</td>
<td>Nutresa</td>
<td>Pozuelo</td>
<td>Costa Rica</td>
<td>Food industry</td>
</tr>
<tr>
<td>103</td>
<td>2011</td>
<td>Protección</td>
<td>AFP Crecer</td>
<td>El Salvador</td>
<td>Financial and Insurance activities</td>
</tr>
<tr>
<td>100</td>
<td>2011</td>
<td>Suramericana</td>
<td>Asesuisa</td>
<td>El Salvador</td>
<td>Financial and Insurance activities</td>
</tr>
</tbody>
</table>

Table 13: Highest investments from Colombia

Source: (Cordero, 2015)

The huge investment in El Salvador that was made between 2011 – 2012 is now at risk because in April 2017 the country fall in default of its payments due to a political disagreement between the government party, FMLN and the opposition party ARENA. However, this is expected to be a temporary situation that the government must solve to maintain serenity with all the investors (“www.dinero.com,” 2017)
The most important investments from Colombia in Costa Rica in recent years are:

<table>
<thead>
<tr>
<th>Year</th>
<th>Colombian Company</th>
<th>Sector</th>
<th>Type of Investment</th>
<th>Company acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005-2010</td>
<td>Olímpica</td>
<td>Retail</td>
<td>Merge and acquisition</td>
<td>Corporación Megasúper</td>
</tr>
<tr>
<td>2000</td>
<td>AEISA</td>
<td>Construction</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>Éxito Betancur</td>
<td>Retail</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>Grupo Constructor Nueva Era, S. A.</td>
<td>Construction</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>Grupo Leumi</td>
<td>Construction</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>CostaFrozen</td>
<td>Food Industry</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>Empresa de Cuero Vélez</td>
<td>Retail</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td>Nexys</td>
<td>Transport, storing and communications</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>Grupo Bavaria</td>
<td>Food Industry</td>
<td>Merge and acquisition</td>
<td>Embotelladora Centroamericana</td>
</tr>
<tr>
<td>2004</td>
<td>Grupo Nutresa</td>
<td>Food Industry</td>
<td>Merge and acquisition</td>
<td>Galletas y Chocolates de Nestlé Costa Rica</td>
</tr>
<tr>
<td>2004</td>
<td>Grupo Nutresa (Cordialsa)</td>
<td>Retail</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>Proquinal</td>
<td>Manufacturing (Textile)</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>Química Comercial Andina, S. A. (Grupo Bretano)</td>
<td>Retail</td>
<td>Merge and acquisition</td>
<td>Resoco, S. A.</td>
</tr>
<tr>
<td>2006</td>
<td>Grupo Nutresa</td>
<td>Food Industry</td>
<td>Merge and acquisition</td>
<td>Galletas Pozuelo</td>
</tr>
<tr>
<td>2006</td>
<td>Sociedad Portuaria Regional Buenaventura, S. A. (SPRBUN)</td>
<td>Services</td>
<td>Concession</td>
<td>Sociedad Portuaria Puerto Caldera (Consortio Portuario de Caldera)</td>
</tr>
<tr>
<td>2007</td>
<td>Acererías de Colombia (Acesco)</td>
<td>Manufacturing</td>
<td>Merge and acquisition</td>
<td>Galvática y Tubotico (Grupo Pujol-Martí) (empresas antes competitivas)</td>
</tr>
<tr>
<td>2007</td>
<td>Brinsa</td>
<td>Manufacturing</td>
<td>Merge and acquisition</td>
<td>Sal DiamaOKnte y Sarú (A). Copetrosa (F)</td>
</tr>
<tr>
<td>Year</td>
<td>Colombian Company</td>
<td>Sector</td>
<td>Type of Investment</td>
<td>Company acquired</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------</td>
<td>---------------------------------</td>
<td>--------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2010</td>
<td>Banco de Bogotá (Panamá)</td>
<td>Financial Activities and Insurances</td>
<td>Merge and acquisition</td>
<td>GE Consumer Finance (Grupo BAC Credomatic) Opera en toda Centroamérica</td>
</tr>
<tr>
<td>2010</td>
<td>Seguros Bolívar</td>
<td>Financial Activities and Insurances</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>Cía. Global de Pinturas, S. A. (Pintuco)</td>
<td>Manufacturing</td>
<td>Merge and acquisition</td>
<td>(Vastalux) Romabon Internacional, S. A</td>
</tr>
<tr>
<td>2012</td>
<td>Banco Davivienda</td>
<td>Financial Activities and Insurances</td>
<td>Merge and acquisition</td>
<td>HSBC Costa Rica</td>
</tr>
<tr>
<td>2012</td>
<td>Decamerón Costa Rica (Grupo Terranum)</td>
<td>Hotels and restaurants</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Promitel</td>
<td>Transport, storing and communications</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>Banco Davivienda</td>
<td>Financial Activities and Insurances</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>Organización Corona</td>
<td>Manufacturing</td>
<td>Merge and acquisition</td>
<td>Incesa y American Standard</td>
</tr>
<tr>
<td>2013</td>
<td>Decameron (Grupo Terranum)</td>
<td>Hotels and restaurants</td>
<td>Merge and acquisition</td>
<td>Dos hoteles</td>
</tr>
<tr>
<td>2014</td>
<td>Celsia</td>
<td>Electricity, gas, water supply</td>
<td>Merge and acquisition</td>
<td>GDF Suez</td>
</tr>
<tr>
<td>2014</td>
<td>Grupo Empresas Públicas de Medellín</td>
<td>Electricity, gas, water supply</td>
<td>Greenfield</td>
<td></td>
</tr>
</tbody>
</table>

Table 14: Colombian companies with presence in Costa Rica

Source: (Cordero, 2015)

In El Salvador, this is the list of companies with the most representative investments from Colombia:

<table>
<thead>
<tr>
<th>Year</th>
<th>Colombian Company</th>
<th>Sector</th>
<th>Type of Investment</th>
<th>Company acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>Bancolombia</td>
<td>Financial Activities and Insurances</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>Gerfor</td>
<td>Retail</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>Decameron</td>
<td>Hotels and restaurants</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Colombian Company</td>
<td>Sector</td>
<td>Type of Investment</td>
<td>Company acquired</td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------</td>
<td>---------------------------------------</td>
<td>----------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2007</td>
<td>Bancolombia</td>
<td>Financial Activities and Insurances</td>
<td>Merge and acquisition</td>
<td>Banco Agrícola (Conglomerado Financiero Internacional Banagrícola)</td>
</tr>
<tr>
<td>2009</td>
<td>Avianca</td>
<td>Transport, storing and communications</td>
<td>Merge and acquisition</td>
<td>TACA</td>
</tr>
<tr>
<td>2009</td>
<td>Carvajal Educación</td>
<td>Manufacturing</td>
<td>Merge and acquisition</td>
<td>Empaques Distribuidores y Productores (DIPSA)</td>
</tr>
<tr>
<td>2009</td>
<td>Nexys</td>
<td>Transport, storing and communications</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Supertex (Grupo Fanalca)</td>
<td>Manufacturing</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>Tecnoquímicas</td>
<td>Manufacturing</td>
<td>Merge and acquisition</td>
<td>Laboratorios Teramed</td>
</tr>
<tr>
<td>2010</td>
<td>Banco de Bogotá</td>
<td>Financial Activities and Insurances</td>
<td>Merge and acquisition</td>
<td>BAC Credomatic Network (Nicaragua)</td>
</tr>
<tr>
<td>2010</td>
<td>Empresa de Medicina Integral, S. A. (EMI)</td>
<td>Other Services</td>
<td>Merge and acquisition</td>
<td>Servicios de Atención Médica</td>
</tr>
<tr>
<td>2011</td>
<td>AFP Protección (Grupo de Inversiones Sudamericanas)</td>
<td>Financial Activities and Insurances</td>
<td>Merge and acquisition</td>
<td>AFP Crecer (Bancolombia)</td>
</tr>
<tr>
<td>2011</td>
<td>Empresas Públicas de Medellín</td>
<td>Electricity, gas, water supply</td>
<td>Merge and acquisition</td>
<td>Distribuidora de Electricidad del Sur ENSA (AEI El Salvador Holdings)</td>
</tr>
<tr>
<td>2011</td>
<td>Quality Health Advisor (QHA) Ajoveco</td>
<td>Other Services</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Banco Davivienda</td>
<td>Financial Activities and Insurances</td>
<td>Merge and acquisition</td>
<td>HSBC (El Salvador, Costa Rica, Honduras, Panamá)</td>
</tr>
<tr>
<td>2012</td>
<td>Carvajal Empaques (Carvajal Internacional, S. A.)</td>
<td>Manufacturing</td>
<td>Merge and acquisition</td>
<td>Distribuidores y Productores, S. A. de C. V.</td>
</tr>
<tr>
<td>2012</td>
<td>Suramerican (Grupo Sura)</td>
<td>Financial Activities and Insurances</td>
<td>Merge and acquisition</td>
<td>Aseguradora Suiza Salvadoreña, S. A. (Asesuisa)</td>
</tr>
<tr>
<td>2013</td>
<td>Decameron (Terratum Hotels)</td>
<td>Hotels and restaurants</td>
<td>Merge and acquisition</td>
<td></td>
</tr>
</tbody>
</table>

Table 15: Colombian companies with presence in El Salvador

Source: (Cordero, 2015)

In the case of Honduras, the main companies from Colombia with important investments are:
<table>
<thead>
<tr>
<th>Year</th>
<th>Colombian Company</th>
<th>Sector</th>
<th>Type of Investment</th>
<th>Company acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>Gerfor</td>
<td>Retail</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Nexsys</td>
<td>Transport, storing and communications</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>Banco Davivienda</td>
<td>Financial Activities and Insurances</td>
<td>Merge and acquisition</td>
<td>HSBC</td>
</tr>
<tr>
<td>2013</td>
<td>Cementos Argos de Colombia</td>
<td>Manufacturing</td>
<td>Merge and acquisition</td>
<td>Lafarge Cementos</td>
</tr>
</tbody>
</table>

Table 16: Colombian companies with presence in Honduras

Source: (Cordero, 2015)

Finally, the records for Colombian FDI in Nicaragua are the following few:

<table>
<thead>
<tr>
<th>Year</th>
<th>Colombian Company</th>
<th>Sector</th>
<th>Type of Investment</th>
<th>Company acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>Aladdin, S. A.</td>
<td>Hotels and restaurants</td>
<td>Greenfield</td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>Grupo Aval Acciones y Valores</td>
<td>Financial Activities and Insurances</td>
<td>Merge and acquisition</td>
<td>BAC Credomatic</td>
</tr>
<tr>
<td>2013</td>
<td>Mineros, S. A.</td>
<td>Mining</td>
<td>Merge and acquisition</td>
<td>Hemco de Nicaragua</td>
</tr>
</tbody>
</table>

Table 17: Colombian companies with presence in Nicaragua

Source: (Cordero, 2015)

The following graph summarizes the number of companies that have decided to invest in each of the countries since the year 2000.
El Salvador takes the first place in the amount of money invested, but this is due to specific investments in the financial sector and responds to a few transactions. The same case applies to Honduras. Costa Rica and Dominican Republic, on the other hand; have had more companies in terms of number but the investment from each of them is much lower representing less dollars invested.

Since the number of companies is more important for EAFIT continuing education, (it represents a potential higher number of companies interested in training), Costa rica will have a score of 5 in this variable, the Dominican Republic 4, El Salvador 3, Honduras 2 and Nicaragua a weight of 1.

8. **Country Selection Matrix**

Once all the variables have been defined and their respective weights assigned, the next step is the country selection matrix analysis.

8.1. **Demographics: 30%**

In regard to demographics, the size of the population with at least an undergraduate degree is the variable that is rated the highest in importance by the people that answered the survey with a weighted average of 3.38, so a weight of 25% will be assigned to this variable. The second in importance was the population and the large cities distribution that will have a weight of 3% and the least important for this question was the growth of population that will be assigned a weight of 2%.
8.2. **Economics: 35%**

Operative cost is one of the most relevant aspects in the economic analysis with an average weight of 3.54. A weight of 10% will be assigned to this cost. The GDP performance will be given a value of 20%. The development of service, manufacturing and agriculture sectors will have a weight of 5%.

8.3. **Socio-cultural: 20%**

In the sociocultural factor, the quantity and level of universities and the field of knowledge of the offer are the two most important variables in this dimension. Since they are similar, they will be analyzed together with a weight of 15%. Population of university students will have a weight of 5% and years of schooling will be eliminated from the analysis because even though it says the average ears that the population study, it does not say what kind of level is reached.

8.4. **Political: 15%**

In the last dimension, the political stability is the most important variable in the case of internationalizing continuing education services so it will have a rate of 10%. The second variable is the ease of doing business, however, this variable will be analyzed separately at the moment of suggesting an entry mode. Finally, the FDI analysis will have a weight of 5%.
<table>
<thead>
<tr>
<th>Macro Variables</th>
<th>Index</th>
<th>Variables</th>
<th>Variable Importance</th>
<th>Total</th>
<th>Costa Rica</th>
<th>Dominican Republic</th>
<th>El Salvador</th>
<th>Honduras</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographics</td>
<td>1</td>
<td>Target Market</td>
<td>25%</td>
<td>30%</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Population, large cities distribution</td>
<td>3%</td>
<td></td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>Growth of Population</td>
<td>2%</td>
<td></td>
<td>2</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Economics</td>
<td>4</td>
<td>GDP Performance</td>
<td>20%</td>
<td>35%</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>Service and manufacturing sectors development</td>
<td>5%</td>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Cost of operation</td>
<td>10%</td>
<td></td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Social Cultural</td>
<td>7</td>
<td>Quantity and Level of Universities - Fields of knowledge demanded</td>
<td>15%</td>
<td>20%</td>
<td>5</td>
<td>4</td>
<td>1</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>8</td>
<td>University students population</td>
<td>5%</td>
<td></td>
<td>4</td>
<td>5</td>
<td>2</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Political</td>
<td>9</td>
<td>Political Stability</td>
<td>10%</td>
<td>15%</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>FDI - Presecence of Colombian Companies</td>
<td>5%</td>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td>100%</td>
<td>100%</td>
<td>3.98</td>
<td>4.23</td>
<td>2.45</td>
<td>2.42</td>
<td>1.92</td>
</tr>
</tbody>
</table>

*Table 18: Country selection development matrix*
With an overall score of 4.23, the Dominican Republic takes the first place out of the 5 countries analyzed thanks to an interesting balance between a strong economic performance in recent years, a significative population with undergraduate degree, relative low operation costs, an education system with quality standards below average and a steady political stability. This is then the first option to be considered for internationalization purposes of EAFIT continuing education in the Central American and the Caribbean region.

The second highest overall score is Costa Rica with 3.98 while El Salvador and Honduras scores are very close, 2.45 against 2.42. Last place belongs to Nicaragua with only 1.92.

9. Entry mode

Entry modes for goods and products are divided into two groups: equity and non-equity (Li & Roberts, 2012). Basically, the difference between the two lies in the level of power and control and in the risk associated. Equity modes are the ones in which the home country requires a high level of control over the host country resources. Examples of those entry modes are wholly owned subsidiaries and joint ventures (Li & Roberts, 2012). On the other side, in the non-equity modes the home country gets little level of control over the resources located in the host country. Direct and indirect exports and franchises are a good example of this strategy (Li & Roberts, 2012).

In the internationalization of services, some aspects might not be treated the same as goods or products. Services are intangible, and the consumption and production usually are simultaneous (Li & Roberts, 2012). In the existing literature for internationalization of service firms, two strategies can be suggested as the preferred entry mode method. One is following existing clients when they internationalize and the other one is looking actively for new markets (Grönroos, 2016). However, development of new technologies such as the internet or satellite tv have allowed totally new entry modes for internationalizing service enterprises creating a third category, electronic marketing mode (Grönroos, 2016).

Grönroos (2016). studies the division of services made by Erramilli & Rao (1990), and classifies them into two categories. Hard services, which require very few local presence by the home country and the consumption can, at some degree, be separated from production and soft services, where consumption and production are to a major extent two process that are being executed simultaneously requiring major local presence by the company form the home country (Grönroos, 2016). Education and higher education institutions had been considered as hard services (Ekeledo & Sivakumar, 2004) that allow the service to be exported (Goi, 2016).
9.1. Suggested Entry Mode

The companies with presence in Dominican Republic have used different entry strategies. This decision depends also in the sector or the industry, whether it is retail, services etc. Familia group for instance, have closed a deal to acquire 100% of Continental de Negocios, that was their partner for the last 20 years in which the group has had presence in the country. The company already had the 50% of the business and the deal will be concluded by december 2018 for U$16,5 million (“www.dinero.com,” 2017).

Nutresa, the colombian multilatina, acquired one of the biggest ice cream producers in Dominican Republic in 2011 for U$38,7 million dollars. This company had 85% of the Dominican market which turned Nutresa into the biggest competitor in the sector (Republica, 2012)

Cementos Argos entered the Dominican market in 1996 with the purchase of a minor part of Cementos Colon. By 2009, Argos acquired the totally of the company and started a process to guarantee that the customer experience of dominicans were just as good as the one colombians had.

Productos Quimicos Panamericanos (PQP) on the other side, made is entry to the market in 2011 by building its own manufacturing plant and installing a distribution network of their own (El Nacional, 2012). Brinsa, a salt manufacturer owner of the Refisal brand is the leader in the industrial salt market in Dominican Republic and was looking for a strategic alliance to build a new plant and enter the home salt market (“Dinero,” 2014)

According to this information, merge and acquisition is one of the favorites entry modes for Colombian companies in Dominican Republic. Purchasing a minority participation in a local company with enough market knowledge and then going for the total value of the company is a strategy used by several of the companies that sought to internationalize.

The experience that EAFIT continuing education has had in the previous years with Guatemala and Panama plays and important role in the selection of an entry mode for future actions. The strategic alliance held with Panamerican Business Consultant for both graduate and continuing education programs suggests that this kind of alliances can work in a win-win basis.

The suggested entry mode for EAFIT continuing education in Dominican Republic is to find a local partner to form a strategic alliance. In this partnership the local partner should be in charge of advertising and promoting the programs and providing an adequate space for classes to be given while EAFIT can support all the academic requirements related to the course with indications from the partner regarding local needs. In the beginning, an alliance for a specific project is recommended and upon results, the alliance can grow to a more permanent long-term relationship.
10. Conclusions

- The 5 countries analyzed show each a different present making it difficult to generalize over a tendency for the region. Costa Rica and Dominican Republic have both the best economic perspective with constant GDP growth and an increasing GDP per capita while Honduras, El Salvador and Nicaragua are all facing internal issues that prevent them from having a good economic performance, as their already mentioned neighbors.

- Dominican Republic has the highest score in the country selection matrix thanks to the balance of its economic performance, its growing perspectives, a relative higher demand of education programs, affordable operation costs and a target population with high potential. This country is the first site selected for the next internationalization effort of EAFIT continuing education.

- Costa Rica universities exhibit a remarkable higher standard than any other of the countries analyzed, with 2 universities ranked in the top 50 of Latin American universities according to QS Latin America. This already ongoing demand is very attractive for continuing education which combined with the excellent economic performance of the country makes of Costa Rica a country worth to consider. A careful review of the cost of operations and the portfolio to be offered should be done before establishing operations.

- The rest of the countries don’t have a considerable target size, and the current level of demand for education programs relative to their populations is not at good levels either. The one thing these markets have as competitive advantage is the cost of operation.

- It is strongly recommended that a further investigation focusing on Dominican Republic and Costa Rica can be proposed to determine a possible partner for a strategic alliance that could benefit EAFIT continuing education.

- Accounting, tourism and communications are fields of knowledge that can be used by EAFIT Continuing Education to launch programs in the Dominican Republic.

11. Acknowledgements

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To my wife and daughters for being my most special motivation.
12. References


