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By John Theodore

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I. Introduction

According to the Ministry of Economics of the Republic of El Salvador, one characteristic of the human resources employed in the private sector of the economy—and in all sectors in general-- has been the underdevelopment of the human element (Plan Estratégico De Conamype: 2015-2019, 2015).

The same concern was also expressed by officials of institutions of higher learning in the country who are responsible for training and developing the labor force employed in the small and medium-sized business sector and in the rest of the employment sectors (Pocasangre, G. Professor of Small Business. Universidad Centroamericana, San Salvador, El Salvador. Personal Interview on July 2, 2015).The underdevelopment of the human resources dates back to the formation of the nation. No serious attention was paid to the above-cited problem until the turn of this century.

El Salvador is the smallest Spanish-speaking nation in the American Hemisphere, it is located on the Pacific Ocean coast of Central America and it is the only nation in the region that does not have access to the Atlantic Ocean. El Salvador won its independence from Spain in 1821 and was a part of the United Provinces of Central America, which was eventually dismembered and gave birth to the five Central American republics of Guatemala, Honduras, El Salvador, Nicaragua, and Cost Rica.

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II. The Original cause of the Underdevelopment of the Human Resources

During the Spanish colonial period (1500-1821), in the geographic area of what is now El Salvador, coffee cultivation was the foundation and infrastructure of the economy. Practically all employed persons worked in coffee plantations; the same situation continued after the country's independence to the end of the 20th century. The coffee plantation owners had no need or desire to improve the quality of the manpower working under subsistence conditions (Lopez, & Rodolfo, 2010). Therefore, the underdevelopment of the labor force was solidified and became a chronic characteristic of the nation's human resources. During the same period of time, in the United Kingdom and the United States, agriculture's primary importance was replaced by industrialization which created private industrial business organizations whose owners, managers, and employees had easy access to abundant public education. Institutions of higher learning had curricula in economics and business that were easily available to the masses in both nations (Theodore, 2011).

III. Subsequent Forces that Affected the Underdevelopment of the Labor Force

a) *The Economy*

The decade of the 1960s was characterized by El Salvador's desire to enter into the Central American Common Market with the other Central American states. Lamentably, economic activities in the country declined until the end of the 20th century due to social and political instability. Economic instability was very visible in the 1980s due to the civil war that destroyed many areas of the socio-economic fabric of the nation. The Central American Common Market was eventually disintegrated, a situation that caused more economic problems.

From the last decade of the 20th century to the end of the 2010s, a series of privatizations took place transferring state-controlled enterprises to privately-held

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ones. This change did not help the economy due to the lack of supportive legislative enactments and the weak implementation of competitiveness in the overall domestic market (Molina, (2007). A Competitiveness Supervisory Agency (La Superintendencia de la Competencia) was created in order to increase the performance of mechanisms conducive to better competitiveness. The benefits from this agency were minimal due to the lack of effective, efficient, and timely implementation of the needed projects.

The structure and performance of the domestic market has been continuously weak. The Central American Common Market resulted in the creation of monopolies and oligopolies in the country which worked against free and open competition, made the entrance of competitive enterprises difficult, and drove existing competitive firms out of business (Lopez, 2008).

The continuous loss of competitiveness in the national economy has impeded the development of manpower in all economic areas. In general terms, the slow growth of the economy has retarded all the factors of production (Panate, 2012).Weak and declining economic activities, lack of government support, and a non-competitive domestic market has played a negative role in the development of the human resources in El Salvador.

b) The Labor Market And Working Conditions

During the colonial period, workers were not permitted to work freely; they were part of the property of the owners where they worked. After independence, workers were able to sell their services to employers in all areas of economic activities (Molinas y Morales, 1981). In the second part of the 1800s a survey of the classification of all types of manpower took place. The majority of the employed persons were engaged in agriculture (Arias-Penate, 2014 a).With the increase in exportation of agricultural products, the need for agricultural workers increased, too. Therefore, more people found jobs in the agricultural sector and the labor force continued being underdeveloped.

The labor force was also negatively affected by natural disasters; for example, between 1998-2012 several natural disasters resulted in the destruction of property and the death of more than 1,381 people (Arias-Penate, 2014 b). In addition, continuous external wars and internal armed conflicts that the country experienced during its history have adversely affected the development of its human resources (Lindo-Fuentes, 1990).

In the second part of the previous century the growth of cities started which resulted in the appearance of small and medium-sized enterprises whose revenues were lower than the minimum salary paid to employed persons (Lindo-Fuentes, 1990). In the 1990s, the appearance of maquiladoras demanded workers whose number increased to 210,000 during the first decade of the present century (Schneider, 2013).This type of employment required semi-skilled employees, but no sufficient improvements through training and education took place. Although some improvements have taken place in the provision of basic education to the masses, there are still problems in the quality and availability of elementary education and the preparation of students to enter into secondary education (Martinez-Penate, 2004).The agricultural employment of the human resources, natural and man-made disasters, and the low quality of basic education also played a negative role in the development of the human factor.

c) Poverty

Poverty among the ranks of the population of El Salvador has permeated the country since colonial times. During the first decade of this century more than 500,000 families live in poverty and another 20% in extreme poverty (Schneider, 2013). After a century of export-led growth, industrial development has not occurred and most Salvadorans are still living in poverty (Paige, 1998). In addition, unemployment and underemployment have been serious problems. In the first decade of this century, unemployment was around 7% but underemployment was 30% of the total labor force (Martinez-Penate, 2004). Chronic poverty, unemployment, and underemployment also contributed negatively the development of human resources in the country.

IV. Efforts for the Development of Human Resources

The Ministry of Economics has created a number of agencies that are responsible for the training of the human resources in all private enterprises with strong emphasis upon the small and medium-sized ones. In addition, it has contracted institutions of higher learning that provide basic and advanced training and education for the owners, managers, and employees of enterprises. The training provided pivots around technology, information and communication, human resources, management, marketing, finance, production, strategy, and development (Melara, C. Professor of Small Business. Universidad Centroamericana, San Salvador, El Salvador. Personal Interview on July 2, 2015).

Education in the areas of economics and business has been a recent event in El Salvador and all Latin America because the Roman Catholic Church had an antipathy toward mundane wealth and an aversion toward business people, an idea that was inherited from Aristotle. However, after the end of World War II the Vatican changed its position and started to support the teaching of economics and business administration curricula in secondary and higher education (Theodore, 1999). The government of El Salvador is providing incentives for the continuation of education and the

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training of the owners, managers, and employees of business organizations. The progress, however, is slow but it is moving positively.

The present writer would like to see the addition of curricula in sociology, politics, history, and cultural geography into the educational and training curricula of the owners, managers and employees of businesses because the nation is now involved in global and hemispheric industrial, commercial, and overall economic activities. Such curricula will amplify and broaden the overall training and educational offerings for the benefit of El Salvador's human resources (Theodore, 2012).

V. Conclusions and Recommendations

The agricultural infrastructure of El Salvador's manpower, weak and declining economic activities, lack of government support, a non-competitive domestic market, natural and man-made disasters, the low quality of basic education to the masses, chronic poverty, unemployment and underemployment have negatively affected the development of human resources in the country. The government of El Salvador, through its agencies and institutions of higher learning, is now providing both training and education for the development of the human resources of the nation.

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