



**SHORT COUNTRY REPORT
BULGARIA**



etf
SHARING EXPERTISE
IN TRAINING

WORKING PAPER

**THE EUROPEAN TRAINING FOUNDATION IS THE
EUROPEAN UNION'S CENTRE OF EXPERTISE
SUPPORTING VOCATIONAL EDUCATION AND TRAINING
REFORM IN THIRD COUNTRIES IN THE CONTEXT OF
THE EU EXTERNAL RELATIONS PROGRAMMES**

HOW TO CONTACT US

Further information on our activities, calls for tender and job opportunities can be found on our web site: www.etf.eu.int

For any additional information please contact:

External Communication Unit
European Training Foundation
Villa Gualino
Viale Settimio Severo 65
I – 10133 Torino
T +39 011 630 2222
F +39 011 630 2200
E info@etf.eu.int

**RECENT DEVELOPMENTS IN
EDUCATION, TRAINING AND
EMPLOYMENT POLICY IN
BULGARIA**

A great deal of additional information on the European Union is available on the Internet. It can be accessed through the Europa server (<http://europa.eu.int>).

Reproduction is authorised, provided the source is acknowledged.

CONTENTS

1. BACKGROUND INFORMATION	5
1.1 Economic developments	5
1.2 Labour market	6
1.3 Demographic trends	9
1.4 Skill needs assessment	9
2. RECENT DEVELOPMENTS IN EDUCATION AND TRAINING IN A LIFELONG LEARNING CONTEXT	11
2.1 Adaptation of the legal framework	11
2.2 Governance and responsible bodies	12
2.3 Modernisation of the education and training system	13
2.4 Guidance and counselling	21
3. RECENT DEVELOPMENTS IN NATIONAL EMPLOYMENT POLICY AND IMPLEMENTATION	23
3.1 National employment policy and European employment strategy	23
3.2 Legislation	24
3.3 Governance and responsible bodies on employment	24
3.4 Employment services (national and regional)	26
4. CONCLUSIONS	31
ANNEX	33
LIST OF ACRONYMS	37

1. BACKGROUND INFORMATION

1

At the end of 2001 the real GDP reached 99.7% of its pre-crisis level from 1995, the average wage for 2001 grew by 3% and the further growth of economic competitiveness was warranted by the outstripping growth rate of labour productivity (5.1%).

1.1 ECONOMIC DEVELOPMENTS

Declining and emerging sectors

According to National Statistical Institute (NSI) data, in 2001 and the first six months of 2002 there are no newly emerged or declining branches/economic activities in Bulgaria. In general, the totality of working branches, sub-branches and activities is preserved. At the same time, there is a considerable growth and development of Internet services and a strong decline in automobile production. For the period January–July 2002 car production declined by 20% compared with the same period of 2001.

In 2001 the tendency for contraction in the agricultural sector was overcome and the decline from the first half-year was compensated by the good results in the third and fourth quarters. For the whole of 2001 the growth in agriculture amounted to 0.5%.

According to data from Bulgarian national accounts all industrial sub-branches except for the extractive industry indicated economic growth in 2001. However, industrial sales fell by 0.6% for the same period, which led to an increase in industrial production reserves.

The service sector has been developing most rapidly and has outstripped other sectors in real growth since 1997. In 2001, the relative share of services in GDP was 51.2%, which is close to that in the pre-crisis period. Alongside however, there is a tendency for outstripping growth rates of gross production in terms of gross added value, which is an indicator and emerging restriction of the growth rates and sector efficiency.

The gross added value is growing most rapidly in communication, trade and finance, and credit and insurance branches.

Privatisation

On 19 March 2002 a new Act on Privatisation and Post-privatisation Control was promulgated. Under this Act a new Post-privatisation Control Agency was established as an administrative unit at the Council of Ministers to exercise post-privatisation control on privatisation of the state's share in the capital of commercial companies and in certain parts of the assets of commercial companies with over 50% state participation in their capital.

Some of the important changes in the regulation of the process are listed below.

- The remainder of the non-privatised companies will be considered as companies with an open privatisation procedure and transactions that are of interest to investors will be given priority.
- Concentration of all sales activities in the Privatisation Agency.
- Abolition of all preferences in privatisation transactions.
- Restriction of privatisation methods to tenders, competitions and public share auctions.
- Abolition of the possibility for changes in already stipulated contract provisions.

According to the latest information published by the Privatisation Agency, up to 30 September 2002, 53.25% of the assets of state companies were privatised, which amounts to 80.64% of the assets subject to privatisation. Some 157 transactions were made with foreign investors, which weigh the greatest in the achieved financial results. As of 30 September 2002, the overall financial result of the transactions amounted to US\$7,520,000, including US\$3,004,000 for the agreed payments on the transactions, US\$1,079,000 debts covered by the buyers and US\$3,437,000 for investment commitments. The sale of large-scale companies in the main economic sectors –

chemicals, metallurgy, defence and machine construction – has been completed. The early privatised branches of the economy are developing satisfactorily (e.g. tourism, construction, light industry, trade and services). The companies that were until recently infrastructural monopolies – power engineering, telecommunications and rail transport – have not yet been privatised.

1.2 LABOUR MARKET

According to the results from the Labour Force Survey conducted by the National Statistical Institute in June 2002, the economically active population (labour force) of the country is 3,399,700 or 50.3% of the population aged 15 and above. There are no substantial changes when compared with the situation in June 2001: the absolute number has decreased by 12,900 and the level of economic activity by 0.1 point.

The population aged 35–44 (85.8%) is the most economically active, followed by the population aged 25–34 (79.0%) and 45–54 (78.8%). The coefficient of economic activity is the lowest among the population aged 65 and above because of retirement age. The economic activity coefficient among young people aged 15–24 (30.6%) is the lowest when compared with the coefficients of economic activity of the rest of the active population and it is even lower than the economic activity coefficient of the population of pre-retirement age (55–64), which is 32.4%. One of the reasons for this is young people's participation in the higher education system or military service, as well as the difficulties young people have in starting a job.

People with higher education degrees (72.8%) are the most economically active: with Bachelor's Master's or Doctor's degrees (76.2%) and with a 'specialist' degree (65.4%). The next are those with secondary education (63.9%), economic activity being higher among graduates from vocational secondary schools (71.3%) when compared with general secondary-school graduates (51.6%).

Those with primary or lower education (26.9%) are the economically least active.

1.2.1 EMPLOYMENT

In June 2002 there are 2,800,000 people employed in the country. For a period of one year (June 2001 to June 2002) the number of employed increased by 49,000 and the employment level for the same period by only 0.8%.

More than half of those employed 1,587,300 (56.7%) work in the service sector, 913,700 (32.6%) are employed in industry and 299,500 (10.7%) in agriculture.

Of the total number employed 1,019,600 (36.4%) work in the public sector and 1,344,500 (63.1%) are employed in the private sector and are distributed as follows: 94,100 (3.4%) employers; 281,200 (10.0%) self-employed; 1,344,500 (48.0%) employed; and 47,700 (1.7%) unpaid family workers. Compared with June 2001 the number employed in the private sector has increased by 126,200 and that of the public sector has decreased by 80,800.

In terms of professional structure, qualified production workers prevail – 414,100 (14.8%), as well as equipment, machine and transport vehicle operators, – 401,800 (14.3%). Assistance staff have the smallest number and percentage – 190,700 (6.8%), followed by producers in agriculture, forestry and fisheries – 195,000 (7.0%). A higher level of education predetermines a higher level of employment. In June 2002 the employment level was the highest for people with higher education (67.0%) and the lowest for those with primary or lower education (19.1%). People with vocational secondary education have a considerably higher level of employment (59.1%) compared with those with general secondary education (42.7%). There is a tendency for a decrease in the employment level for all, irrespective of their level of education.

1.2.2 UNEMPLOYMENT

In June 2002, the unemployed in Bulgaria numbered 599,200 or 17.6% of the economically active population. Compared with June 2001 this figure decreased by 61,900 and the unemployment level fell by 1.8 points.

The unemployment level is higher in rural areas – 19.9%, which is determined, on the one hand, by the nature of employment there – mainly in agriculture and other seasonal activities – and on the other hand, by the prevailing number of people with primary or lower education, for whom the unemployment level is typically higher. The better educational structure in urban areas as well as better employment opportunities there determine the lower unemployment level – 16.9%.

There are considerable regional differences in the unemployment level, which are determined by the development of regional economies, restructuring processes and development opportunities for small and medium-sized companies in the respective regions. The highest level of unemployment is in the North-western region (28.3%), which is the region with the lowest level of economic development, the lowest economic activity of the population and the greatest lack of job creation. The lowest level of unemployment is in the South-western region (13.1%), which is the most economically developed region in the country, greatly influenced by the concentration of capacities and resources in the capital. Among the regions, the lowest level of unemployment is in the regions of Kardjali (6.7%), Blagoevgrad (9.3%), Gabrovo (11.8%), Sofia (the capital – 12.1%), Stara Zagora (14.4%). The unemployment level is above the national average in 15 regions, being the highest in Vratsa (30.6%), Sliven (28.6%), Smolyan and Shumen (27.7%), Vidin (27.4%) and Montana (26.4%).

Unemployment in Bulgaria is structural by nature, caused above all by the discrepancies between professional qualification of the labour force and labour market demand, especially in terms of the

new technological and professional requirements of the jobs created. The unemployment level is the lowest for people with a higher degree of education and the highest for people with the lowest degree of education. In June 2002 the unemployed with higher education amounted to 61,900 (7.9%), whereas the unemployed with primary or lower education amounted to 215,100 (29.1%). The unemployed with vocational secondary education (223,300) were over twice the number of those with general secondary education (98,800), there being no considerable differences in the unemployment levels of the two groups (about 17%).

According to data from the Employment Agency, the industrial and service sectors had an equal share of labour force redundancies in June 2002 – 47.0%.

Those made redundant in the agricultural sector came to 6.0%. Of those registered at labour offices, 63.1% were made redundant in the private sector against 36.9% in the public sector.

Youth unemployment still remains a serious problem. According to data from the Labour Force Survey in June 2002, the unemployed young people aged 15–24 amounted to 120,000 or 20.0% of all unemployed. The level of youth unemployment (34.7%) was twice as high as the overall national unemployment level (17.6%) and much higher than the unemployment levels for the remaining age groups, which are: 18.4% for the population aged 25–34, 15.1% for those aged 35–44, 14.6% for the 45–54 group, 14.5% for those aged 55–64, and 5.2% for the population aged 65 and above.

The high percentage of unemployed young people, who become such as soon as they finish their education or leave compulsory military service, constitutes a negative phenomenon for the labour market and the situation of young people in it. In June 2002, those amounted to 64.6% of all unemployed young people. This fact can be explained, on the one hand, by young people's educational and qualification

characteristics – there is still a tendency for a large proportion of unemployed young people to have no qualification and a low level of education. The unemployed young people without a speciality represent 71.3% of the total number of registered unemployed young people, and those with primary or lower education are 63.0%¹.

On the other hand, the lack of close links and coordination between the education system and the labour market and employers' preferences to employ persons with experience, which young people do not have, can be the reason for the high proportion of unemployed young people, who become such as soon as they finish their education. This should be indicative for the education system, which should pay more attention to practical training of students (internship).

There were no considerable differences in the unemployment level between the two genders – 18.3% for men and 16.9% for women in June 2002.

A feature of unemployment in Bulgaria is the high relative proportion of long-term unemployment (one or more than one year) – 65.3% in June 2002. People with the lowest degree of education were most affected by long-term unemployment – 40.2% of the total number of long-term unemployed were those with primary or lower education. The high relative percentage (35.7%) of long-term unemployed with secondary vocational education, as well as the significant difference in comparison with the relative proportion of those with secondary general education (15.7%) shows that there are discrepancies between labour force qualification and labour market needs. In terms of residence, long-term unemployment is higher for the rural population – 69.0% against 63.8% for the urban population. In terms of age, those aged 25–34 have the highest relative share in long-term unemployment (25.1% of the total number of long-term unemployed) as well as those aged 45–54 (24.7%). Young people also make up a large share – 16.6%.

¹ *Administrative Statistics*, Employment Agency, Sofia, June 2002.

1.3 DEMOGRAPHIC TRENDS

According to census data up to 1 March 2001 and the natural migration of the population for the remaining 10 months of the year, the permanent population on 31 December 2001 was 7,891,000 people. In comparison with 2000 the population decreased by 258,000 (or 3.2%). The significant difference in the number of the population between 2000 and 2001 is due to external migration taken into account in the census of 1 March 2001. In 2001 the population decreased by 44,000 as a result of population growth, and by 21,400 as a result of external migration.

At the end of 2001, 5,473,000 people, or 69.4% of the country's population, lived in urban areas. The average age of the population for the country in 2001 was 40.4. The trend for population ageing has brought about changes in its main age structure – population distribution below, at and above active labour age. The number of the population at an active age is affected by population ageing as well as legislative changes made in determining the age limits of the active population in 2001: 16–56 for women and 16–61 for men.

In the period between the two censuses a considerable proportion of the population emigrated from the country for a period of more than a year for different reasons. For the period 1992–2001 the country's population decreased by about 554,000. This decrease is a result of natural population migration as well as external migration. For this period population growth was negative and amounts to 337,000 people. Population emigration for the same period can be roughly estimated at 217,000–220,000, or 2.8% of the total population. At the same time, 2,000 returned to or came into the country. In comparing the two opposite migration flows, the balance of external migration is estimated at between 195,000 and 200,000; that is, the country lost an average of 25,000 people annually because of emigration.

1.4 SKILL NEEDS ASSESSMENT

Assessment and forecasting mechanisms in place (national, regional and sectoral levels)

One of the main problems impeding the planning of staff needs for future economic demands is the lack of registers of those graduating from secondary school, as well as of those graduating from higher education institutions. In the context of lifelong learning the problem deepens further because of the great share of grey economy, which hinders the forecasting of future staff demands.

It should be noted that at the regional level measures for better planning have been taken. Examples of this are the discussions of admission plans of vocational schools at the regional level with all stakeholders, including social partners.

At the sectoral level, it is mainly foreign companies working in close cooperation with vocational schools, that train future staff and the teachers who train them, but unfortunately this is no longer the case with state or newly privatised Bulgarian-owned companies, because there is still a lack of clarity as to the future development of specific companies.

Under the new strategy in social policy, the Ministry of Labour and Social Policy sets as an initial objective to achieve a well-functioning labour market, which would guarantee a higher employment rate for the active population. The measures to be undertaken in this direction are geared towards improvement of the business environment. According to the information published on the ministry's website this can be achieved by breaking down barriers to company development as well as bureaucratic obstacles and restricting the complex and often contradictory requirements of the normative regulation. In this respect, the Ministry of Labour and Social Policy will give maximum support to alleviate licensing and permit regimes. Given that the number of open jobs in the real sector is increasing significantly, the labour market active policy will be mainly

SHORT COUNTRY REPORT BULGARIA

aimed at ensuring employment for groups at risk, as well as equality in terms of employment access. In case of limited demand for labour in companies, active policy methods will be targeted at a prioritised development of entrepreneurship and incentives for subsidised employment. In both

development forms targeted encouragement of vocational training of employed and unemployed persons will continue. Labour market active policy will be implemented through efficient use of EU pre-accession instruments and in particular, the Phare programme as a predecessor of the European Social Fund.

2. RECENT DEVELOPMENTS IN EDUCATION AND TRAINING IN A LIFELONG LEARNING CONTEXT

1

2.1 ADAPTATION OF THE LEGAL FRAMEWORK

The newly adopted Employment Promotion Act, which came into effect on 1 January 2002, is the first normative Act in the new Bulgarian legislation, which focuses on learning and lifelong learning in particular, devoting to it a whole section bearing the same title. Articles 45 and 46 of the Act stipulate for the first time in the Bulgarian legislation important stimuli for employers who invest in the training of their employees. For example, employers who ensure qualification maintenance and enhancement for their workers and employees can apply for preferences. Employers, who employ unemployed persons, guided by Employment Agency departments to training and work, to compensate for employees who take time off because of training, are granted remuneration and contributions due on the employer's account with the Public Insurance Fund and the National Health

Insurance Fund for each employee for his/her working period, if not longer than six months. This option gives employers an opportunity to temporarily employ another employee/worker to cover the trainee, so that the work process is not interrupted. Furthermore, employers who create special jobs for people to acquire qualification through practice and/or apprenticeships, including dropouts from the secondary education system, are granted sums for each employed person for the period of practice and/or apprenticeship.

In 2002 amendments were also made in the other major Act regulating public relationships, related to the acquisition and constant improvement of professional qualification – the Vocational Education and Training Act (VETA), adopted on 15 July 1999 by the 38th National Assembly. As a result of the analyses and conclusions made as regards its current implementation in the national system for vocational education and training,

coordination between the provisions of this Act and the provisions of the Public Education Act, the Regulation on the Implementation of the Public Education Act and the Act on Educational Degree, General Education Minimum and Curriculum, the activity of the National Agency for Vocational Education and Training (NAVET) established with this Act at the Council of Ministers, as well as in order to improve the functions and further development of the national VET system in 2002, a proposal for amending the VET Act was made.

The amendments can be grouped as follows.

- *In the organisation of school vocational education and training* – organising training for acquiring professional qualification in general education schools and vocational training leading to the acquisition of a fourth degree of professional qualification in vocational schools after evaluation of its compliance with the state educational standards by the Minister of Education and Science.
- *In the functions of the NAVET* – the changes aim: (a) to systematise the norms regulating licensing and accreditation; (b) to define institutional accreditation and vocational training accreditation; and (c) to develop the general requirements for the implementation of accreditation procedures.
- *In the professional qualification of persons at the age of 16* – through the organisation of training for persons at the age of 16 in vocational schools.
- *In terminology* – specifying and adjusting VETA terminology to the normative acts adopted after 1999 in the field of education, as well as to other normative acts, related to the acquisition of professional qualification.

The amendments have already been presented for discussion in Parliament and have gone through second reading. It is expected that they will be adopted by Parliament by the end of 2002.

2.2 GOVERNANCE AND RESPONSIBLE BODIES

Roles of and cooperation between national, regional and local administration

In terms of VET governance for the period in question, there were changes mainly in adult vocational education and training, which are determined by the new Employment Promotion Act regulations. Under the Act, the Ministry of Labour and Social Policy plays a leading role and together with the Ministry of Education and Science develops and coordinates training policy and strategies for the acquisition of professional qualification for adults – unemployed and employed at the national level; organises and manages the National Training System for acquiring professional qualification for the unemployed and employed; surveys, analyses and forecasts the state, development and training needs of adults for acquiring professional qualification.

At the same time, a National Advisory Council on Labour Force Professional Qualification has been established with the Minister of Labour and Social Policy, which includes representatives of ministries, agencies, committees, representatives of employers', employees' and workers' organisations at the national level and other non-profit legal entities. The Chair of the National Advisory Council on Labour Force Professional Qualification is a Deputy Minister of Labour and Social Policy and the Deputy Chair is a Deputy Minister of Education and Science.

The National Advisory Council on Labour Force Professional Qualification has the following functions:

- coordinating the development of a national training policy and strategies for acquiring professional qualification for the unemployed and employed;
- coordinating and controlling the interaction between representatives of employers', employees' and workers' organisations at the national level in relation to lifelong learning;

- coordinating training needs for acquiring professional qualification.

Funding of initial vocational education and training

The prevailing public profile of the institutions in formal vocational education in Bulgaria in the 2001/02 school year (468 schools out of 506 are public) makes the state budget the principal funding source. As shown in Table 3 of the Annex, most vocational schools (339) are centrally funded by the Ministry of Education and Science, 132 vocational schools are funded by the budgets of specific ministries and institutions. Only nine vocational schools had decentralised funding (from municipal budgets) in 2002.

The costs for vocational schools funded by the Ministry of Education and Science over the last two-year period are presented in Table 4 of the Annex.

According to data from the official statistics, out of a BGN 132,764,000 subsidy for the Ministry of Education and Science from the state budget to be spent on secondary education in 2001 about 67% was allocated to vocational education and, in 2002, BGN 88,802,900 out of BGN 1,272 274,100, or about 69%, was allocated.

In analysing the budget resources invested in public formal vocational education and training, it should be taken into account that the training specificity of vocational secondary schools requires as a rule a higher average subsidy than that for general education schools, which is determined by two reasons:

- the use of expensive technical equipment in relation to the demands of the teaching process;
- highly qualified staff in vocational schools and higher salaries, respectively; it should also be taken into account that over 70% of the subsidy goes towards salaries.

As for the private structures in the secondary VET system, the main, and for

the time being the sole, funding source is household budgets. Analyses and sociological surveys show that in 2001 Bulgarian citizens were still contributing quite a low proportion of their own resources to education (1.8–3.2%)². Furthermore, in the vocational education system only private educational services are paid for. According to data from official statistics, in the 2000/01 school year 35 private vocational schools (out of which 22 vocational technical schools and 13 vocational high schools) are licensed in the VET system, covering 2,415 students.

2.3 MODERNISATION OF THE EDUCATION AND TRAINING SYSTEM

2.3.1 STRUCTURE AND ORGANISATION

Development of educational and occupational standards

Within the period under consideration the NAVET developed and amended, and the Management Board of the agency finally adopted in May 2001 framework requirements for developing state educational requirements (SERs) for acquiring a professional qualification.

The framework requirements for development of standards are based on the new List of Vocations, adopted by the NAVET Management Board and approved by the Minister of Education and Science in May 2001, which is the major normative document for planning, organisation and management of activities in the system of vocational guidance, vocational education and training.

The list was developed by the NAVET under Article 45, paragraph 5(a), of the Act on Vocational Education and Training (VETA), in relation to Article 6, paragraph 1, of the same Act and was coordinated with the branch ministries and representatives of employers', employees' and workers' organisations at the national level.

² Statistical References 2002, NSI, Sofia, 2002.

The List of Vocations is a systematised structure (matrix) of vocational and speciality titles, classified in vocational fields according to the fields of education of the International Standard Classification of Education ISCED–97 (Article 8, paragraph 1 and Section 1 of VETA Additional Provisions). As a major document in the organisation of vocational guidance, education and training, the register is obligatory for all institutions offering vocational training for acquiring professional qualification – vocational schools and vocational training centres.

The structural components of the List of Vocations for vocational education and training are vocations and specialities. Under Article 8, paragraph 1, of VETA professions and specialities are classified into vocational fields, by educational degree and by the degree of professional qualification.

The titles of vocations in the register are related to the subject of activity. For the third qualification degree the title of the profession is ‘technician’, for the second, ‘fitter’ or ‘operator’, and for the first ‘worker’. The definition of the name is related to a specific activity (e.g. machine technician, electrical technician, mining technician, machine fitter, machine operator, etc.). Other titles, corresponding to the activity, are also possible: ‘organiser’, ‘technologist’, etc.

Training in each vocation is determined by:

- the requirement for a minimum educational degree;
- the training duration;
- the degree of the professional qualification acquired.

Vocations include different specialities, close enough in terms of the required general education knowledge and skills, and professional competence. The specialities within a vocation are grouped by production, technological and target basis according to specific production requirements.

Currently, the register includes 15 vocational fields: arts, business

management and administration, physical science, informatics, technics, production and processing, architecture and construction, agriculture, forestry, fishery, veterinary medicine, health care, social services, personal services, transport, environment protection, public security and safety. The vocations in each field are as follows: 24 vocations in the arts; 13 in business management and administration; two in physical science; one in informatics; 45 in technics; 30 in production and processing; seven in architecture and construction; 18 in agriculture, forestry and fishery; two in veterinary medicine; two in health care; two in social services, 16 in personal services; four in transport; two in environment protection; one in public security and safety: 169 vocations in total. Training will begin in the 2003/04 school year.

Standard formulation

According to Bulgarian legislation, and Article 15 of the Public Education Act, in particular, SERs determine the levels of the general education and vocational training necessary.

Requirements specify educational goals and determine the necessary and achievable optimal results for all trainees upon completion of a given educational degree course or upon acquiring a professional qualification degree.

One of the main features of SERs is achievability of all teaching and educational results planned for all trainees as well as measurability and assessability. Specific SERs for the system of vocational education and training under the Public Education Act are as follows.

1. The SER for vocational education and training (Article 16, paragraph 6, of Public Education Act) defines the organisation of vocational education and training, the structure and content of the syllabuses for vocational education and training.
2. The SER for acquiring vocational qualification (Article 16, paragraph 7, of Public Education Act) defines the activities performed within a vocation

2. RECENT DEVELOPMENTS IN EDUCATION AND TRAINING IN A LIFELONG LEARNING CONTEXT

and the necessary knowledge, skills and personal qualities applicable to that vocation.

Below are presented the main functions of SERs for acquiring vocational qualification:

- to determine key, basic and special working competences;
- to ensure quality of training;
- to guarantee transparency of vocational qualification;
- to create opportunities for the establishment of knowledge and skills acquired in a formal or non-formal way;
- to ensure equivalence of certificates issued by different institutions;
- to ensure connection with the labour market.

Regulatory basis for SER development for acquiring vocational qualification

SER development for acquiring vocational qualification is based on the Public Education Act and the Act on Vocational Education and Training (VETA).

- Article 16, p. 7, of Public Education Act, published in the *State Gazette* 86, 1991, amended 1996, 1998, 1999 – ‘SERs apply to the acquisition of vocational qualification’.
- Article 17, p. 3, of Public Education Act – ‘SERs for acquiring vocational qualification are adopted by an Ordinance of the Minister of Education and Science, coordinated with the respective ministries and institutions’.
- Article 51, paragraph 1, p.1, of VETA, published in the *State Gazette* 68, 1999 – ‘The Ministry of Education and Science implements the state policy in the field of vocational education and training by adopting SERs for acquiring vocational qualification’.
- Article 42, p. 5 (6), of VETA – ‘The National Agency for Vocational Education and Training develops and proposes for approval to the Minister of Education and Science SERs for the acquisition of vocational qualification’. The order of adoption of SERs for acquiring vocational qualification is regulated by the Public Education Act.

Aim and objective of framework standards

The framework standards developed by the NAVET were given to the working groups, who then started developing drafts of SERs for acquiring vocational qualification from the List of Vocations for vocational education and training.

The framework standards should ensure a uniform approach in the development of standards as follows:

- structural and terminological uniformity of SERs for all vocations in the Register;
- a uniform basis for determining the relative proportion of the types of compulsory vocational training : ‘general’ for all vocational fields; ‘branch’ for all vocations of a vocational field; and ‘specific’ for each vocation;
- uniform requirements for certification of degrees of professional qualification specific to different vocations.

Standards for development of SERs

SERs for acquiring vocational qualification were developed according to the following requirements:

1. to document overtly the objectives and outcomes (exit results) of the training process; in defining the content of professional competences, the methodology and tools of the teaching process are documented confidentially;
2. to determine the professional and technical skills and personal qualities, expressed by demonstrating certain professional competences;
3. to describe key, basic and special professional competences;
4. to apply to the overall package of labour activities, typical of a given vocational field, as well as to typical labour tasks, related to a group of vocations within the vocational field;
5. to apply to all specialities, included within a vocation;
6. to regulate the requirements for certification of vocational competences for the individual degrees of professional qualification.

Structure of SERs

The structure of the developed SERs for acquiring vocational qualification includes the following components:

- entry characteristics;
- profile (characteristic) of the vocation;
- training objectives;
- training content;
- assessment and certification system;
- equipment standards;
- trainee requirements;
- SERs reviewing and updating procedures.

Technology for the development of SERs

The development of SERs for acquiring vocational qualification has gone through the following main stages.

- *Stage 1:* Development of framework requirements for developing SERs for acquiring vocational qualification and their adoption by the NAVET Management Board. Deadline: July 2001.
- *Stage 2:* Development of a pilot model of a SER for a specific vocation from the List of Vocations for vocational education and training³. Deadline: February 2002.
- *Stage 3:* Development of methodological instructions for development of SERs for acquiring vocational qualification. Deadline: May 2002.
- *Stage 4:* Amendment of the framework requirements. Deadline: May 2002.
- *Stage 5:* Approval of the framework requirements for the development of SERs for acquiring vocational qualification by the Minister of Education and Science. Deadline: June 2002.
- *Stage 6:* Assigning the development of SERs for specific vocations from the List of Vocations to working groups according to the deadlines set in the NAVET plan. Deadline: May 2002.
- *Stage 7:* Development of SERs for acquiring vocational qualification from the List of Vocations for vocational education and training⁴. Deadline: April 2003.
- *Stage 8:* Adoption of SERs by an Ordinance of the Minister of Education and Science, under Article 17, p. 3, of the Public Education Act. Deadline: June 2003.
- *Stage 9:* Development of normative documents related to SER implementation in institutions within the vocational education and training system. Deadline: June 2004.
- *Stage 10:* Implementation of the approved SERs for acquiring vocational qualification from the List of Vocations for vocational education and training. Deadline: September 2004.

Six SERs have been developed so far: for the vocations of 'constructor', 'electrical fitter', 'financier', 'fitter of computer systems', 'operator in the food processing industry', 'operator in the textile industry and garment production'. Fourteen other SERs have to be developed by the end of 2002.

³ The vocation of 'constructor' was selected as a pilot vocation.

⁴ Up to October 2002 six SERs were developed.

2.3.2 DELIVERY

Network of formal and non-formal education and training providers

The formal system

According to NSI data⁵ in the 2001/02 school year vocational education was delivered in 506 vocational schools, 358 of which are technical schools and vocational schools, 112 are secondary vocational schools, 18 are art schools, three are vocational schools and vocational classes after the sixth and seventh grade, and 15 are vocational colleges⁶ (see Annex, Table 5).

Table 5 shows that the number of vocational schools decreasing in the 2001/02 school year compared with the previous school year, on the one hand, and as a stable tendency with a five-year span, on the other. The reasons for this decrease should be sought in the fall in the number of students and the ongoing process of optimisation of the school network.

At the same time, the number of vocational technical schools is increasing, mainly at the expense of a decrease in the number of secondary vocational schools: in the 2001/02 school year the number of vocational technical schools increased by 14.4% in comparison with the 1997/98 school year and by 2.9% in comparison with the previous year, whereas the number of secondary vocational schools has drastically decreased – by 74 schools or 39.8% in comparison with the 1997/98 school year and by another 16 schools or 12.5% in comparison with 2000/01. These opposite tendencies are mainly the result of ongoing changes in the status of some secondary vocational schools, which have been transformed into technical schools.

Private vocational schools in the 2001/02 school year total 38, of which 24 are vocational technical schools, and 14 are vocational high schools⁷. These schools, which in 1997/98 amounted to only 28, now are tending to increase in number. This increase is mainly at the expense of the rising proportion of vocational technical schools (which numbered 16 in 1997/98 and 24 in 2001/02), whereas vocational colleges have increased by only two in the same five-year period.

The non-formal system

For the period October 2001 to October 2002 the NAVET licensed 17 vocational training centres and 15 other centres have an open licensing procedure. In this period vocational training centres showed growing interest in the licensing procedure, implemented by the NAVET. Although licensing is not compulsory under VETA, the Employment Promotion Act, which came into effect on 1 January 2002, stipulates that training for acquiring professional qualification and motivational training for adults be delivered by vocational training centres, licensed according to the current normative regulation (Article 62, paragraph 2), which stimulates and encourages vocational training centres to apply for licensing from the NAVET.

Teaching and training staff – pre- and in-service training, salaries, numbers, career development

According to NSI data there were 18,128 teachers working in vocational schools in the 2001/02 school year⁸. The number of teachers and human resources employed in the education system is generally decreasing by years as a result of the ongoing processes of school network

⁵ *Education in the Republic of Bulgaria*, NSI, Sofia, 2002.

⁶ According to VETA (1999) the nomenclature of the institutions in the VET system includes vocational schools, vocational high schools and vocational colleges. The NSI official statistical data however deal with the former nomenclature (*technikum*, SPTU I PTU) because at present it still exists. *Technikumite*, SPTU I PTU should be made relevant and renamed – by order of the Minister of Education and Science – as vocational high schools, colleges and schools, but this has not yet been carried out, even though three years have passed since VETA entered into force, that is, there is a discrepancy between the Act and practice. This discrepancy is the reason for the different titles used in institutions like VETA and the present report, which uses NSI data.

⁷ *Education in the Republic of Bulgaria*, op. cit.

⁸ Ibid.

optimisation, caused by the economic and demographic situation in the country.

Teaching staff distribution by types of vocational school is as follows.

- Teachers in vocational technical schools predominate (14,308 teachers), which is logical in view of the predominating share of this type of school (358 out of 506) in the system of vocational education.
- Teachers in secondary vocational technical secondary schools come second (2,664 teachers in 112 schools).
- 914 teachers are employed in art schools (18) and 172 teachers in vocational colleges (15).
- The smallest number of teachers are employed in vocational technical schools with admission after the eighth grade (35 teachers) and in vocational schools with admission after the sixth and seventh grade (36 teachers).

Out of a total of 18,129 teachers employed in vocational schools, 15,652 (or 86.3%) have a Bachelor's or a Master's degree, 2,270 have graduated from vocational colleges with a 'specialist' qualification and 207 have secondary education. Over the past few years the number of teachers with higher education has been steadily growing, whereas the number of teachers with secondary education has been dropping, which shows an improvement in teaching staff qualification.

Salaries in the educational sphere remain among the lowest in comparison with other economic branches. For example, for 2001⁹ the average annual salary in education was BGN 2,787 in comparison with BGN 2,980 of those employed in the Bulgarian economy in general. This trend remains in the first six months of 2002¹⁰, as shown in Table 6, if the average wages of those employed in the economy in general was BGN 256 in the first quarter and BGN 265 in the second quarter, then the average gross remuneration in the education sector in the given periods was BGN 239 and BGN 265, respectively. The

salaries of teachers employed in the public sector remain considerably lower than those of pedagogical staff in private schools, though their levels are close – for example, the average values of the remuneration are BGN 236 and BGN 375, respectively, in the first quarter, whereas in the second quarter the salary difference narrowed to the ratio of BGN 262 to BGN 384. Data from recent years show that the average gross salary in vocational schools equalled the average in education in general.

It is interesting that from 1995 to 2001 the gross average annual salary in Bulgaria has risen almost 34 times nominally and has reached BGN 2,980, the rise in the sector of education being among the highest, i.e. 41 times. In spite of the high rise in remuneration in the education sector, teachers' salaries remain low and result in a lack of motivation. Thus, a low salary becomes a factor negatively influencing the quality of the teaching process.

The system of teachers' career development did not undergo serious changes in the period under consideration. On the one hand, it remained centralised (the Departments of Information and Teacher's Qualification at the universities of Sofia, Varna, Stara Zagora and Gabrovo are the only institutions in the country authorised to offer training and award the five professional qualification degrees) and, on the other, the difference in remuneration between the lowest and the highest degree is insufficient to encourage teachers to make efforts to continue their education and maintain their qualification. A positive element, however, is the emerging reconsideration of the policy on teacher qualification enhancement. For example, within the Teacher Qualification component of the Education Modernisation project, which has been implemented with a loan from the World Bank, there is a planned subcomponent, aiming at improving the current system for teacher continuing training.

⁹ *Bulgaria 2001 – Social and Economic Development*, NSI, Sofia, 2002.

¹⁰ According to preliminary data from NSI.

Modernisation of training infrastructure and equipment

For the period under consideration we should mention the component of the Phare programme for vocational school renovation. So far this has been carried out in seven vocational schools and renovation and equipment provision are expected in 12 other schools. The idea of the project is that these schools will provide services and training for adults. Unfortunately, it must be said that the state budget does not support the construction of more schools; i.e. reliance is on international programmes.

Training for the unemployed

In 2001 the labour offices have organised 741 training courses for vocational qualification. From January to July 2002 the labour offices have conducted 357 training courses for vocational qualification.

In-company training

According to NSI¹¹ data the majority of company managers (72.5%), inquired in 2001, are of the opinion that qualification enhancement of employees is necessary. At the same time, the organisation of continuing vocational training (CVT) is not a main priority. Only 12.6% of companies have training plans, and only 6.6% have a budget for financial provision of CVT events. According to 45.7% of company managers the main reason for not developing training plans is the lack of financial resources.

In the period 2000 to the first half of 2001 36.4% of the events organised for training employees in companies were CVT courses. Some 62.7% of the courses were set up by external organisations. Apart from CVT courses, there were other events for CVT. Those were mainly instructions at workplace meetings, lectures and seminars – 40.4% of all other events.

CVT events cover less than a quarter of the total number of companies. In the public sector CVT scope is larger: 58.2% of all professional qualification courses delivered in this period and 55.0% of the other CVT events.

2.3.3 PARTICIPATION IN EDUCATION AND TRAINING

Formal/non-formal

The negative demographic processes described in Section 1.3 above inevitably lead to serious changes in the number and composition of the child population in Bulgaria and to a strongly recessive trend in the number of enrolling students. In comparison with the 1995/96 school year, in 2001/02¹² the number of students fell from 1,695,045 to 839,518. The number of students at the different levels of formal education is also falling. The net coefficient of population enrolment¹³ at the age of 15–19 was 62.6% in 1999 (the average for the EU countries being 80.9%). If we set as an objective Bulgaria's approximation to the average EU level according to this indicator, more effort should be made to expand the coverage in secondary (grades 9–13) and higher vocational education.

According to NSI¹⁴ data the number of students in 2001/02 was 191,328 and stayed almost unchanged compared with the previous year, but there were changes in the ratio of students by type of professional school. It is logical that the increase in the number of vocational technical schools mentioned in Section 2.3.2 above leads to an increase in the number of students in those schools – in the 2001/02 school year the number of students in this type of vocational school rose by 17% when compared with 1997/98 and by 5.0% when compared with the previous school year. There is an opposite trend among students in secondary

¹¹ *Bulgaria 2001*, op. cit.

¹² *Education in the Republic of Bulgaria*, op. cit.

¹³ The net coefficient of enrolment characterises the population's participation in the education system. The coefficient is estimated in percentages as a ratio between the number of students in the 7–10, 11–14, 15–18 and 19–20 age groups and the number of population in the same age groups.

¹⁴ *Education in the Republic of Bulgaria*, op. cit.

vocational schools. Their number is dropping each year: in 2001/02 it decreased by 42.3% in comparison with 1997/98 and by 11.5% when compared with the previous school year. This decrease is mainly due to the changed status of those schools (transformed into technical schools) and to the newly introduced similar specialities in technical schools, which attract some of the candidates.

In recent years students trained in technical sciences comprise the highest relative percentage: in 2001/02, 37.7% of students in vocational technical schools and 43.4% of those in vocational schools are trained in this field. There has been a growing interest in recent years in the specialisation of economics in vocational technical schools. In the 2001/02 school year 19.9% of the total number of students in vocational technical schools were being trained in the field of business administration, and in vocational colleges this proportion came to 46.8%¹⁵.

Some 116,420 (60.8%) of the total number of students in vocational schools in the 2001/02 school year are male. Male students predominate over female students in all types of vocational school, except in art schools and vocational high schools.

In the 2001/02 school year 87,716 students finished primary education (eighth grade). Out of this number 37,713 students (42.2%) continued their education in technical or vocational schools, 13,254 (15.1%) in vocational schools, and 405 students (0.5%) in schools providing vocational classes after eighth grade. Currently, the number of new students in art schools is 791, while 463 attend vocational schools and vocational classes within ISCED 2C education, and 2,216 attend vocational colleges. As a whole, the number of new students admitted to vocational schools in the 2001/02 school year is 55,017, and this figure has not changed significantly when compared with the previous school year, but when compared with the 1997/98 school year it

has dropped by 7.4%, which is due to the negative demographic processes taking place in the country.

The number of graduates from secondary vocational schools is also falling – in 2001 they amounted to 43,466, which is 10.0% less than in 1997 and 6.8% less than in 2000. The number of students who have acquired professional qualification in vocational colleges shows a stable and strongly apparent decreasing trend; in 2001 there were 2,647 (or 32.3%) fewer as compared with 1997, and almost 50.0% (43.9%) fewer than in 2000.

The number of dropouts from secondary education (grades 9–13), including vocational schools was 8,874 in 2000/01, which is 2.7% of all students in this educational level. Out of this number 3,056 (34.4%) students dropped out because of their own or their parents' unwillingness to continue studies, and 2,775 (31.0%) for domestic reasons. It is a good sign that in the period 1996–2001 the relative proportion of dropouts from secondary (including vocational) education, decreased from 3.9% to 2.7% at the beginning of the period. There are no data on involvement in non-formal vocational training.

Employed/unemployed

According to Employment Agency data 10,304 unemployed people were involved in different educational projects organised by the labour offices in 2001. As of 31 December 2001, 16,471 people completed professional qualification courses, which is 2.5% of the total number of unemployed registered at labour offices. The great difference between the number of those who attended and those who completed the courses is due to the resources provided at the end of 2000, which allowed for a greater number of unemployed to enrol in training courses and complete them by the beginning of 2001. Compared with the previous year the number of those who have gone through training has increased by 65.5%. In the age groups of the unemployed who have

¹⁵ *Education in the Republic of Bulgaria*, op. cit.

2. RECENT DEVELOPMENTS IN EDUCATION AND TRAINING IN A LIFELONG LEARNING CONTEXT

completed qualification courses, young people aged 20–24 make up the highest proportion, 16.8%, and those aged 25–29, 14.0%.

Some 10,180 unemployed people have completed additional qualification courses. A considerably smaller number (4,366) have been retrained, while 1,925 have completed initial qualification courses.

According to NSI¹⁶ data, in 2001 there were more course participants in continuing vocational training for the employed from the public sector than from the private sector (the ratio being 59.1:40.9% in 2000 and 58.8:41.2% in the first half of 2001). The majority of participants in all CVT forms are male – 64.3%. The employed who attended training in technology and production, including operation and maintenance of automated systems, quality control and new material and product design, constitute the largest number – 39.0% of the total number of course participants. In 2002 the time spent on training is on average 20 hours per participant, while in the first half of 2001 it amounted to 21 hours per participant.

2.4 GUIDANCE AND COUNSELLING

The system of vocational guidance and counselling, represented by the Ministry of Education and Science only came into

existence in 2000. Currently, the bodies responsible for those processes are the Employment Agency and its eight specialised guidance and counselling centres. They are very well equipped with computers and are used mainly by young people. The labour offices also deliver this service for their target group – the unemployed. At the St Kliment Ohridsky University in Sofia there is a special office for student vocational guidance. Vocational training fairs are organised, where training institutions and employers offer opportunities for training and employment and present their requirements for the necessary qualification and skills.

Three skill development centres at labour office departments in Sofia, Stara Zagora and Rousse work with disadvantaged people in the labour market. They provide information, vocational guidance and counselling services targeted at people with physical disabilities.

With a view to training qualified experts in vocational guidance, in 2001 a specialised postgraduate course in career development counselling was organised at the Postgraduate Qualification Institute at the University of National and World Economics in Sofia. The course is delivered under a joint project of the Bulgarian Employment Agency and the German Federal Employment Agency. It is targeted at experts from the Employment Agency and lasts for 18 months. Training leading to a Master's degree in the same specialisation will be soon introduced.

¹⁶ *Bulgaria 2001*, op. cit.

3. RECENT DEVELOPMENTS IN NATIONAL EMPLOYMENT POLICY AND IMPLEMENTATION

3

3.1 NATIONAL EMPLOYMENT POLICY AND EUROPEAN EMPLOYMENT STRATEGY

The national employment policy is aimed at creating conditions for a well-functioning labour market, which will guarantee a higher employment rate for the active population and a reduction in unemployment¹⁷.

The new emphases in the policy are related to:

- linking up with other policies, and especially economic policy, by coordinating all planned changes in order to prevent contradictions and ensuring achievement of the objectives;
- transition from passive social protection to the implementation of an active social approach, by directing efforts from

benefit provision towards employment provision; in this context, a new Employment Promotion Act was adopted at the end of 2001, unemployment benefits being provided from the funding resources of the labour market active measures and the state being fully committed to funding the labour market active policy with state budget resources;

- implementation of differentiated approaches, i.e. focusing on individual problems and needs by paying special attention to those among the unemployed who are actively seeking jobs, discouraged workers and disadvantaged persons.

The new Employment Promotion Act regulates the annual adoption of a National Employment Action Plan by the Council of Ministers.

¹⁷ Government Governance Programme 2001–05.

The National Employment Action Plan for 2002 is based on the four pillars of the European employment policy: improving employment aptitude, entrepreneurship development, promotion of business adaptability and that of the employed, strengthening the policy of equal opportunities for men and women. The main priorities in the labour market policy according to the plan for 2002 are:

- increasing employment through increasing employment aptitude of the labour force;
- ensuring conditions for full socio-economic integration of groups at risk in the labour market;
- encouraging entrepreneurship and independent business activities.

To achieve these objectives a series of active measures and programmes are being implemented, which are targeted at:

- intermediation for employment;
- youth employment;
- transition from passive to active measures;
- lifelong learning;
- entrepreneurship encouragement;
- creation of new jobs;
- equal opportunities through socio-economic integration of groups at risk into the labour market;
- employment protection and preservation;
- training for acquiring professional qualification.

3.2 LEGISLATION

As mentioned in Section 2.3, the Employment Promotion Act is innovative and regulates a number of new elements related to employers' financial stimulation to employ and train unemployed people, with a special emphasis on the groups at risk within the labour market, as well as to ensure qualification maintenance and enhancement of their employees and workers (continuing training); stimulation of practices and apprenticeships; provision of stipends and subsistence coverage for those unemployed who are involved in training; licensing of vocational training

centres by the NAVET, thus abolishing the existing registration of training organisations at the National Employment Service.

In addition to Section 2.3 we should mention another new element regulated by the Employment Promotion Act, which is related to the funding sources of both active and passive labour market policy. Under the new Act, the measures and programmes are funded by the state budget, in contrast to the former situation, when active and passive labour market measures were financed by the Vocational Qualification and Unemployment Fund, which collected resources through compulsory monthly contributions by employers and employees, target sums from the state budget and other sources. As of 1 January 2002 a new Unemployment Fund was created as part of the public insurance system, whose resources are used for funding passive labour market policy – unemployment benefits, benefits under the Defence and Armed Forces Act of the Republic of Bulgaria and health insurance contributions for the unemployed.

3.3 GOVERNANCE AND RESPONSIBLE BODIES ON EMPLOYMENT

The principal body at the central level, which determines national employment policy, is the **Council of Ministers**.

The next level is occupied by the **Ministry of Labour and Social Policy**, which develops, coordinates and implements national policy on employment promotion for the unemployed and training for the acquisition of professional qualification for both unemployed and employees, and ensures protection for the national labour market. The Ministry of Labour and Social Policy, together with other ministries and social partners, develops the National Employment Action Plan annually and presents it for approval to the Council of Ministers.

The **Employment Agency**, together with its territorial departments (regional

3. RECENT DEVELOPMENTS IN NATIONAL EMPLOYMENT POLICY AND IMPLEMENTATION

employment service directorates and labour office directorates) is responsible for the implementation of the national policy on employment promotion, labour market protection, vocational information and counselling, vocational and motivational training of the unemployed as well as intermediation in information and employment. The agency is supported by a council, which involves representatives of employers', employees' and workers' organisations at the national level. The council 'discusses the new directions, the plan and report of the agency's activities, makes proposals for the development of new measures and programmes for employment promotion and training for acquiring professional qualification, discusses the effectiveness of the agency's activities, including that of the measures and programmes implemented'¹⁸.

The Employment Agency is an implementation agency under the Minister of Labour and Social Policy and is successor to the National Employment Service. In contrast to the National Employment Service, the activities of the Employment Agency are fully focused on the implementation of the labour market active policy.

At the regional level national policy on employment and training for acquiring professional qualification is implemented by permanent or temporary **employment committees**, which operate as part of the Regional Councils for Regional Development. These committees involve representatives of regional administrations, territorial departments of ministries, organisations and social partners. The employment committees develop the regional employment plans and consider issues related to the economic development of the region, health and occupational safety, etc., with a view to increasing employment.

The territorial departments of the Employment Agency consist of nine **regional employment service**

directorates. Their main function is coordination, methodological support, control and recapitulation of the activities of the labour office directorate. Regional employment service directorates are involved in the development and implementation of regional development plans through the participation of the employment committees at the regional development councils.

The **labour office directorates** are regional departments of the Employment Agency at the local level. Their main activity involves direct service delivery related to: (a) registration of the unemployed; (b) employment promotion and support; (c) vocational information and counselling; (d) training for acquiring professional qualification for both unemployed people and employees; (e) intermediation in information and employment of Bulgarian citizens at home and abroad, and of foreign citizens in Bulgaria. Currently, there are 115 labour office directorates. Part of them are cooperation councils, which directly monitor the employment policy being implemented. They consist of representatives from the educational inspectorates at the Ministry of Education and Science, municipalities and social partners.

Apart from the national structure described above, there are so-called intermediaries (brokers) in the labour market, which provide information and support to job-seekers as well as to employers offering jobs, with a view to concluding employment and employment contracts. The intermediaries can be physical or legal entities with Bulgarian participation of over 50%, registered under the Commercial Act or the Act on Cooperation (i.e. individual proprietors, limited-liability companies, joint-stock companies, companies with foreign participation, etc.), as well as employers' organisations, trade unions and their departments¹⁹. In order to perform intermediation, intermediaries need to obtain a licence, valid for two years.

¹⁸ Regulations of the Employment Implementation Agency, adopted by Decree 47 of the Council of Ministers, 5 March 2002, published in the *State Gazette* 27, 15 March 2002.

¹⁹ Ordinance on the terms and order of intermediation performance in information and employment, published in the *State Gazette* 55, 15 May 1998.

Intermediation can be performed against payment. Between the intermediary and the job-seeker payment is calculated at 25% of the first monthly wage for the job occupied, whereas between the intermediary and the employer payment is agreed. As from 1 September 2002 the number of companies licensed to perform intermediation in Bulgaria is 114, abroad it is 77, and for naval experts it is 34.

3.4 EMPLOYMENT SERVICES (NATIONAL AND REGIONAL)

3.4.1 STAFF EMPLOYED IN EMPLOYMENT INSTITUTIONS

As of 20 September 2002 the number of people employed in the administration of the Ministry of Labour and Social Policy was 153²⁰. Twenty-six of these (or 17%) have secondary education, and 127 (or 83%) have higher education. They are distributed in the following spheres:

- social, business and legal sciences – 85;
- technical sciences – 18;
- humanities – 10;
- natural sciences, mathematics and informatics – 5;
- security and defence – 4;
- health care and sport – 3;
- pedagogical sciences – 2.

The number of people employed by the Employment Agency and its territorial departments in September 2002 was 3,400; 220 of these were employed in the agency, 164 in the Regional employment service directorates, and 3,016 in the labour office directorates. Because of the ongoing administrative reform in the Employment Agency system, related to the implementation of the New Organisational Regulation of the Agency, updated and specific data on the educational and qualification structure of the employed cannot be presented. According to expert opinion, 33% of the total number of those employed in the Regional employment service directorates and the labour office

directorates have secondary education, while 67% have higher education.

Training of employees of the Employment Agency and its territorial departments is delivered in accordance with the needs defined and a programme of staff qualification enhancement. In 2002 training was delivered to implement the new legislation in the employment and unemployment sphere, to develop a National Employment Action Plan and action plans at the regional and municipality levels, on issues related to vocational guidance and the organisation of training for acquiring professional qualification for both unemployed people and employees, to implement the measures and programmes of the labour market active policy, etc.

In the period 2000–02 employees of the Employment Agency and its territorial departments also took part in organised training for acquiring knowledge and skills in project development and administration.

Special measures for groups at risk in the labour market

In view of the high unemployment rate among young people and the disturbing fact that over 50% of unemployed young people become such as soon as they graduate or leave compulsory military service, from 2002 the Ministry of Labour and Social Policy launched two new initiatives targeted at young people: a project entitled Youth Employment Aptitude Enhancement and Entrepreneurship Promotion and a national programme called Youth Computer Training (2002–05).

The project consists of two modules: (a) 'Employment of Young People with Higher Education in Public administration'; and (b) 'Youth Entrepreneurship Promotion'.

- The first module is aimed at ensuring jobs for unemployed people with higher education up to 29 years of age with no work experience, through the creation of jobs financed by the Council of Ministers, almost every ministry and

²⁰ According to data from the Ministry of Labour and Social Policy.

3. RECENT DEVELOPMENTS IN NATIONAL EMPLOYMENT POLICY AND IMPLEMENTATION

regional administration. The first outcomes of the module are related to the approval of 100 graduates from public higher education institutions, who studied full-time on a state grant and graduated in 2001 or 2002, 51 of whom have started work in central institutions, and 49 in regional administrations.

- The second module is aimed at unemployed and employed young people up to the age of 29, who wish to start up their own business. The measures in the module include setting up two youth centres in the towns of Razgrad and Haskovo; youth training, counselling and information about entrepreneurship opportunities; supporting the launch of entrepreneurial activities, including financial support, etc.

The National Youth ICT Training Programme (2002–05) aims at improving young people's access to information and communication technologies (ICTs) through acquiring knowledge and skills for ICT usage, hence improving employment aptitudes and increasing young people's opportunities for career development in the labour market. It is targeted at young people up to the age of 29 with higher or secondary education. During the whole implementation period (2002–05) the programme will cover 12,965 candidates and, in 2002, 700 of them will undergo trainer training. The course participants who demonstrate the best performance will be supported in applying for practice with employers.

Vocational guidance and counselling

Under VETA vocational guidance is part of the vocational education and training system and 'ensures information, counselling and advice for students, unemployed as well as other people in their choice of profession and career development'²¹. Under VETA vocational guidance services would be delivered by the Information and Vocational Guidance Centres, which would be licensed by the NAVET. Centres of the kind have not been

created as yet, therefore information and vocational guidance services for young people and adults are delivered mainly by the territorial structures of the Employment Agency, described in the previous chapter, and private employment intermediaries.

In terms of the specificity of career development, it is still difficult to make an analysis of the state of such a system, because it lacks a clear regulation.

In practice, despite the lack of a clear regulation, it can be said that only large companies, which usually possess foreign capital and whose organisational structure involves a well-developed human resource department, offer career development. Some practical examples show that if there is an opportunity for career development, this is first announced within the company, and if there are no suitable applications, private intermediary employment services are sought. Unfortunately, there is not enough information about intermediary companies that also deliver counselling services for career development. However, it can be said that private intermediaries offer services related to information and counselling of job-seekers and employers; guidance towards vocational and/or motivational training; guidance towards suitable programmes and measures; labour force selection. They do not pay out benefits, provide psychological assistance or perform other activities performed by the Employment Agency. This allows them to focus on finding employment for job-seekers and staff for employers. Besides, they deliver or organise the delivery of additional services related to filling in documents, CV writing, document translation and legalisation, etc. The work of private intermediaries in finding jobs is more flexible in comparison with the public sector. With private intermediaries there is less bureaucracy, contacts with employers are more informal, there are fewer documents to fill in, there is more flexibility ensuring a more rapid collection of up-to-date information. However, private intermediary capacity is often limited.

²¹ Act on Vocational Education and Training, Article 5, paragraph 1.

In conclusion it can be pointed out that it is hard to speak about cooperation between private and public institutions, working in the sphere of career development and guidance. The private and public sectors operate independently, and sometimes even compete with each other.

Funding

According to the National Employment Action Plan for 2002 the sum of BGN 161,176,299 is planned for the implementation of the labour market active policy, of which BGN 112,689,799 (or about 70%) will be provided by the state budget, the rest being provided from external resources – under the Phare programme or other international sources. For the period January–June 2002 BGN 32,861,500 (or 20.4%) of the planned resources were spent on Employment Promotion Act initiatives, involving the unemployed, on unemployed and employees, included in training courses, and on the Employment Agency subsistence²².

In 2001, BGN 83,933,513 was spent on the implementation of the active programmes and measures planned under the National Employment Action Plan for 2001, which amounts to 72.5% of the resources necessary for full implementation of the plan. Some 43.4% (BGN 36.5 million) of the resources spent are from the state budget, 47.8% (BGN 40.1 million) from the Vocational Qualification and Unemployment Fund, 3.8% (BGN 3.2 million) from local sources, 3.9% (BGN 3.2 million) from the EU and 1.1% (BGN 900,000) from other external sources²³.

3.4.2 MONITORING AND EVALUATION OF ACTIVITIES

Within the Employment Agency, monitoring on the contribution and effectiveness of employment services is

performed as internal monitoring. It includes monthly reporting of changes in detailed indicators of demand and supply in the labour market and the degree of implementation of active policies (measures, programmes, activities), as well as registration of the unemployed.

The system of indicators has been used since 1992 and is constantly being optimised. Currently it provides good opportunities for analysis of the state of the labour market. The main indicators monitored by the agency are related to the number of the total registered and by speciality groups, age groups, working abilities, duration of registration, as well as available jobs. The main indicators are presented at national, regional and local (by the labour offices) levels.

Monthly and yearly monitoring of employment provision activities is performed by specialised units within the Employment Agency and Ministry of Labour and Social Policy system.

In 1997 a working group was set up as part of the former National Employment Service to implement a 'System for Monitoring and Evaluation of Programmes and Measures in the Labour Market'. It carried out the first monitoring and evaluation of programmes and measures in the labour market in 1997. The second survey was entitled 'The Net Impact of Active Programmes in the Labour Market' and was conducted by the Economic Institute of the Netherlands. Taking into account the conclusions and recommendations of the survey for 2002, priority is being given to measures and programmes ensuring sustainable employment and to measures for improving the quality of the labour force, and for reducing the proportion of programmes for temporary employment. In the period from January to June 2002, 110,855 unemployed people were provided with jobs, 22.5% of them being

²² Information newsletter on unemployment and employment promotion measures in January–June 2002, Employment Agency.

²³ National Employment Action Plan in 2002 (3), Analysis of the Implementation of the National Employment Action Plan in 2001.

3. RECENT DEVELOPMENTS IN NATIONAL EMPLOYMENT POLICY AND IMPLEMENTATION

involved in employment programmes and measures. Some 1,286 unemployed people and 209 employees (excluding those on programmes and measures) were involved in professional training courses.

According to the general monitoring of labour market activities, not enough attention is being paid to regional differences. Surveys are not conducted for their own sake. The data are not fully used. There are no follow-up surveys to trace changes in the status of the unemployed.

4. CONCLUSIONS

4

In conclusion it would be useful to focus on several important aspects of the progress achieved in Bulgaria in the context of lifelong learning and some of the barriers remaining for the VET and labour market systems.

Given that the new Law on Employment Incentives is very well prepared and innovative the conclusion can be drawn that currently Bulgaria has a modern and well conceived act. The new legal framework is creating conditions for more effective management and planning of the public employment service. However, the challenge for the implementation of the new legal framework with the current resources, together with the necessity for capacity building in the relevant institutions and, more importantly, the improvement of the professional capabilities of the personnel engaged in the employment services remains, and it should be considered in due course. The role and possibilities of the private employment services in the labour market are still restricted.

In the context of lifelong learning the legal framework reflects the social and economic changes, since the legal documents provide for each citizen to have equal access to educational and qualification services and equal access to the labour market. Meanwhile the NAVET has approved the framework requirements for SER elaboration for acquiring a vocational qualification. This together with the licensing of the vocational qualification centres will definitely contribute to the development of lifelong learning.

On the other hand however, we should consider that the planning of the educational and employment systems is very complicated, since there are no administrative registers for those who have enrolled, graduated and subsequently been employed in the labour market, or of those who have undergone initial and continuing vocational education and training. Here we are also discussing tertiary education.

SHORT COUNTRY REPORT BULGARIA

Still, the VET and the employment systems could be characterised as being strongly centralised. This is the reason why efforts towards the future development of VET and lifelong learning, as well as the employment services, should be directed

towards getting rid of bureaucracy in the systems, capacity building, improving the quality of services, elaborating and implementing measures aiming at the gradual decentralisation of the VET and employment services.

ANNEX

Table 1: Population numbers by gender on 31 December of the years indicated below

Year	Total	Male	Female
1990	8,669,269	4,269,998	4,399,271
1995	8,384,715	4,103,368	4,281,347
1996	8,340,936	4,077,501	4,263,435
1997	8,283,200	4,044,965	4,238,235
1998	8,230,371	4,014,071	4,216,300
1999	8,190,876	3,991,161	4,199,715
2000	8,149,468	3,967,423	4,182,045
2001	7,891,095	3,841,163	4,049,932

Source: NSI

Table 2: Population below, at and above working age (%)

Year	Total	Age groups		
		Below working age	Economically active population/at working age	Above working age
1990	100.0	21.6	55.5	22.9
1995	100.0	19.1	56.6	24.3
1996	100.0	18.6	56.9	24.5
1997	100.0	18.1	57.3	24.6
1998	100.0	17.6	57.7	24.7
1999	100.0	17.2	58.1	24.7
2000	100.0	16.8	58.3	24.9
2001	100.0	16.3	59.2	24.5

Source: NSI

Table 3: Data on available funding for vocational schools for the 2001/02 school year (2002 calendar year)

Natural indicators	Total
Number of vocational schools, including:	511
• public	480
• private	31
Number of vocational schools funded by MES	339
Number of vocational schools funded by other ministries and state departments	132
Number of vocational schools with decentralised funding (by municipal budgets)	9
State budget subsidy for education in 2002 fiscal year (BGN)	1,271,274,100
State budget subsidy for secondary education in 2002 fiscal year (BGN)	x
State budget subsidy for vocational schools funded by MES (BGN)	88,802,900
Average gross salary in education institutions – Total (BGN)	239.1
• teaching staff (BGN)	273.9
Average gross salary in vocational schools – Total (BGN)	216.9
• teaching staff (BGN)	258.4

Source: Ministry of Education and Science data, 10 October 2002

Table 4: Expenditure from the state budget for VET schools (BGN)

Indicator	1999	2000	2001	2002
Funding for secondary schools	67,190,926	89,015,291	x	88,802,900

Source: Ministry of Education and Science

Table 5: Types of vocational school

Type of school	1997/98	1998/99	1999/2000	2000/01	2001/02
Art schools	19	19	19	18	18
Technical and vocational schools (ISCED 3A)	313	330	350	348	358
Vocational colleges (ISCED 4C)	20	26	23	18	15
Vocational schools (ISCED 3C)	186	174	150	128	112
Vocational classes within ISCED 2C	7	4	3	4	3
Total	545	553	545	516	506

Source: NSI

Table 6: Average monthly salary in the sphere of education in 2002 (BGN)

	First trimester of 2002			Second trimester of 2002		
	Total	Public sector	Private sector	Total	Public sector	Private sector
Economy in general	256	291	232	265	309	236
Education sector	239	236	375	265	262	384

Source: NSI

LIST OF ACRONYMS

BGN	Bulgarian currency
CVT	Continuing vocational training
EU	European Union
GDP	Gross domestic product
ICT	Information and communication technology
MES	Ministry of Education and Science
NAVET	National Agency for Vocational Education and Training
NSI	National Statistical Institute
SER	State educational requirement
VET	Vocational education and training
VETA	Vocational Education and Training Act