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BULGARIA

JOINT WBI/OECD SEMINAR ON THE ROLE OF GOVERNMENT IN THE DELIVERY OF EDUCATION SYSTEMS

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THE ROLE OF GOVERNMENT IN THE DELIVERY OF EDUCATION SYSTEMS :

BULGARIA¹

Introduction

Population

1. Bulgaria has the worst demographic dynamics in Europe and a negative population growth rate. In 1995, its total population was 8 300 000, a drop from 9 million in the mid-1980s. Over the last eight to nine years, between 500 000 and 600 000 working-age people and children have left the country for economic reasons. Bulgaria's over-60 population is the second highest in Europe. In 1995, 24.5% of the population was more than 60 years old; by 2010, this proportion will increase to 28.8% as the overall population decreases to 7.5 million people. At the same time, the number of children aged 0 to 19 will decrease from about 1.6 million or 19% of the population in 1995, to below 1.1 million, or 14 %, in 2010.²

2. In academic year 1998/99, 3 680 centrally and locally maintained schools were in operation. These included 2 986 general education schools, of which 466 were elementary schools (grades 1-4), 1 940 were basic schools (grades 1-8), and 580 were comprehensive schools (grades 1-12) and gymnasiums (grades 8-12). In addition, there were 500 vocational schools and 200 schools for children with special needs. The overall student population in grades 1-12 was 1 104 236; this was down from 1 137 000 in 1997/98. The number of students has steadily declined over the last several years and will continue to do so over the medium term. Schools are thus closing: in 1998, approximately 140 schools were closed; more than 95% of these were in villages.

Administration

3. Bulgaria has 262 municipalities which have long been grouped into 28 regions; these regions are autonomous state entities and provide local, or municipal, administration.³ In each region, a mayor and municipal council, which acts as a local parliament, are elected for four-year terms to oversee social services, law enforcement, health care, education, local infrastructure, and municipal industry. Each municipal council votes on its administrative structure, which means that these structures can differ from one local education administration to another, although their tasks are regulated by the Local Self-government and Local Administration Act, and the National Education Act. Municipalities are responsible for school financing, maintenance, and infrastructure but not for educational quality control, staff policy, direct school management or the curriculum.

¹ To be published in *Reforming Institutions in Transition Societies: Education Decentralization in Central and Eastern Europe*, Ariel Fiszbein, ed., World Bank Institute, forthcoming.

² National Statistical Institute, Social-Economic Development of Republic of Bulgaria 1990-1994; and *Statistical Yearbooks* 1996, 1997, and 1998.

³ Between 1985 and 1998, an eight-area territorial division was introduced; this organization was abandoned with the January 1, 1999, passage of the Law on Administrative and Territorial Division, which reestablished the original 28 regions. Educational administration remained essentially unaffected by these changes, however, since education was one of several state services that maintained its regional administrative structure over the 1985-98 period.

4. The Ministry of Education and Science (MES) defines national educational policy and manages the overall educational system. After approximately 50 years of centralization, the ministry continues to wield too much power in too many areas: legislation, curriculum design, test development, and day-to-day management of various levels. For the last several years, however, the ministry has consistently sought to decentralize and deconcentrate power and to work toward a more autonomous educational system. The new normative regulations give the ministry the power to establish and develop the main policy framework for public education while focusing on standardization and control of educational outcomes, leaving management and control of educational inputs and processes to the local level.

5. Regional administration is carried out through 28 education inspectorates. These territorial divisions of the MES implement state education policy at the individual school level to pursue quality goals and oversee school compliance with education legislation. Since June 1999, the MES has delegated authority to the inspectorates to hire and fire the principals of municipally maintained schools; such institutions constitute the vast majority of Bulgaria's schools. This local power remains limited, however, since principals are named after a centrally regulated competition in which ministry experts also serve as judges. Inspectorates cannot fire or hire principals of state schools in their territory and have no financial responsibilities.

6. The school principal and the pedagogical council, which includes teaching staff and the school management team, constitute school-level management and are the school decisionmakers. The principal presides over the school board, which includes parents and teachers, and whose role is advisory and financial to the extent that they provide additional funding support.

7. Education is highly regulated. Regulations mandate class size, the number of teachers and staff, and teacher salary levels. The 1991 National Education Act defines the relationships between primary and secondary education; the 1955 Higher Education Act defines post-secondary education. Article 53 of the Bulgarian Constitution gives every person the right to education. Public education is free and compulsory up to age 16; higher schools are autonomous. Citizens and organizations may create schools, which must comply with state requirements. Ninety private schools enroll about 0.5% of the total school population.

8. A series of recent legislative amendments and initiatives have created a process of educational reform designed to improve the quality of education. The reform is influenced by current trends toward internationalization and globalization, the need for greater freedom of choice, and the political, social, demographic, technological, and economic changes that have occurred in Bulgaria over the last decade. It targets a more flexible school organization that reflects the market economy and principles of autonomy; central education requirements for assessing student achievement and school accreditation; linking school financing to student numbers and to educational quality; and more local influence on educational matters.

The Education System Today

*Personnel*⁴

9. Teachers and principals are employed either by the MES, municipalities, or private school owners. The MES employs approximately 20 000 teachers in the 700 schools (mostly for children with special needs, vocational schools, and 20 large regional or national gymnasiums that it funds.

⁴ All data for this section are taken from the National Statistical Institute (1998) Information Bulletin on General and Vocational Education for the 1997/98 school year.

Municipalities employ 65 000 teachers (approximately 20 000 in rural areas) in the 3 000 schools they fund. Only 90 schools have been created and funded directly by private owners or maintaining institutions.

10. Employers pay teachers, but the central government sets salaries. Municipalities are authorized to pay bonuses of up to 20%, based on locally approved criteria such as merit. In practice, there is no money to pay merit raises, making tenure the primary and virtually sole salary criterion.

11. School principals are responsible for daily operations. In principle, they can hire and fire teachers, but staff size is centrally regulated based on the number of classes. In fact, principals rarely fire teachers for either poor performance or disciplinary problems because of the complicated appeals process. A school principal thus has very few ways in which to influence teachers. Only a qualification class awarded by teacher training institutes at the end of special training courses differentiates teachers, but qualifications are not directly linked to performance and bring only negligible salary increases.

12. Until recently, the Minister of Education and Science appointed principals after an open competition. The 1998 amendments to the National Education Act give inspectorate heads the right to appoint school principals on the same competitive basis. A special committee, chaired by the head of the inspectorate and including the representatives of central and local authorities, as well as other teachers at the school in question, evaluated these competitions.

13. A school principal is guided by the curriculum and the national calendar, which is an annual list of mandatory educational activities prepared by the MES. The principal prepares an annual school educational agenda and presents it to the appropriate funding institution and the inspectorate. This document then becomes the basis of a schedule of daily activities overseen by the funding institution and inspectorate, whose main responsibility is to verify school compliance with education regulations.

14. Teachers must have a minimum of a bachelor's degree. Existing regulations provide for permanent teacher training at national, regional, local, and school levels. The three national teacher-training institutes have a monopoly on in-service teacher certification and award qualifications. Although these institutes were once independent, they are now separate units integrated within three different Bulgarian universities. They are considered university faculties and benefit from the Higher Education Law making universities autonomous. They therefore have their own budgets within the overall university budgets, based on funding for teaching salaries and for costs related to courses accepted by the elected University Academic Council and approved by the Minister of Education and Science. Until 1996, the MES directly provided these budgets, under procedures that differed from other university departments, whose budgets are defined directly by Parliament. From 1997 onward, however, the budgets of the three teacher training institutes are an integral part of their respective universities and are similarly regulated.

15. The same teacher-training departments at the universities that provide pre-service training also provide in-service training. NGOs and international educational projects provide some in-service training, especially in vocational education, but these are not diploma-granting courses and participants must bear the costs.

16. School principals and inspectorate experts are responsible for monitoring and evaluating teacher performance, but no performance evaluation criteria exist for teachers or students. Monitoring is now done through classroom visits and verification of documentation reflecting a teacher's activities.

Curriculum and Educational Standards

17. Until now, the MES has been responsible for developing the mandatory curriculum, while electives are designed by teachers and approved by school principals or educational inspectorates. According to the new national curriculum law, the compulsory curriculum constitutes approximately 50% of all class time while compulsory classes, covering the other 50%, will be developed locally, along with elective classes.

18. The curriculum law stipulates creating national standards for learning content and for assessing student achievement. Currently, no structured system for evaluating national education needs exists. The general academic community and pedagogical interest groups guide whatever evaluation there is. Efforts have been made to change the situation, especially in vocational education training (VET). The processes currently under way include reshaping the law defining school types, education cycles, and curricular frameworks.

19. Teachers have no standardized tests with which to track student achievement or to diagnose their learning problems. Even the term *standardized* generates misunderstanding. All student assessment is school-based and conducted solely by the subject teacher. Peer teachers participate in school assessment commissions to assess matriculation and remedial exams.

Textbooks and Learning Materials

20. Textbooks and learning materials are related to educational degrees as defined by the National Curriculum Law. Thus far, primary school textbooks (grades 1-8) have been distributed free of charge, and upper school textbooks are sold to students. As of academic year 1998-99, after the first grade, all except a very limited number of the poorest students will have to purchase their own textbooks.

21. Textbooks must satisfy national standards defining minimum student achievement. The MES develops criteria and standards for textbooks and other learning materials, announces a competition defining textbook parameters, approves manuscripts and carries out bidding for textbooks, although it occasionally bypasses the competition. Equipment criteria and standards should be developed by the MES together with the Health Ministry, according to Bulgarian State Standards (BDS).

22. Textbooks, learning materials, and equipment are produced by independent publishing houses and firms who compete for the education market. The ministry approves these textbooks and teachers select from them.

School Infrastructure

23. The MES is ultimately responsible for opening and closing schools and changing their status, basing its decisions on evaluations and proposals from the inspectorates and municipal councils. Each year, local authorities propose changes to the local school network, depending on their educational budget, on the regulations for class sizes and the size of the teaching staff, and on demographic forecasts. Schools can also initiate a procedure to change their status. Local counselors discuss and vote on the project, the educational inspectorate evaluates it, and the Collegium of the Ministry (the ministry's collective governing body) then presents and discusses it on the basis of ministry experts' judgments. After approval, the Minister of Education and Science issues an order to open, close, or transform a school. The order is published in the State Journal and the school is included in or deleted from the National Register of Schools. For centrally governed and maintained schools (mainly vocational and professional schools,

schools for special needs children, and “homes for children and adolescents”), these decisions are made at the request of financing bodies, and MES groups of experts make expert evaluations.

24. Until recently, municipalities have not been involved in planning, building, or maintaining vocational/technical schools, thus limiting local initiatives for vocational education. This situation changed recently, when municipalities began to run vocational/technical schools, with some limited exceptions.

Enrollment

25. At the primary level, enrollment is determined by parental choice, but each school, according to its capacity, must satisfy first the wishes of children living in the respective neighboring areas. Enrollment planning procedures differentiate schools: general schools/classes with no entry exams, general school/classes with entry exams, and vocational/technical schools with or without entry exams.

26. All secondary schools develop their own enrollment plans for the following school year. Plans must be coordinated and endorsed by the municipalities, and are then submitted to the regional inspectorates for expert appraisal. At this stage, the planning procedure takes two different routes. For the first group of schools (the general schools/classes without entrance exams), the Inspectorate is the final source of approval for their enrollment plans. For the remaining two groups, the Inspectorates prepare expert opinions for each school case and pass the enrollment plans to the ministry. After approving them, the ministry issues an ordinance called “School Enrollment Plan” containing the names of schools and the number of classes for each profile or profession. For all secondary schools/classes – general or vocational – that enroll students after grade 7 (with an intensive foreign language teaching program) there are compulsory entry exams. The exams campaign is organized each year following a regulation procedure, determined with a MES ordinance. All information about examinations and enrollment procedure is available at the inspectorates and published in a specialized press by the ministry. The rest of the general and vocational schools/classes, which enroll students after completion of grade 8 (basic education level), can determine their enrollment by defining their own requirements – these centrally/locally prepared entry exams or, more frequently, rankings based on registered educational attainments.

Quality Control

27. Formal, highly centralized quality control is made by inspectorate expert visits during which school documentation and classrooms are verified and checked.. A school principal also monitors quality, but has no right to evaluate teaching.

28. Student achievement is recognized as a basis for judging quality, yet while the ministry has attempted to monitor student achievements at the end of different grades, the results have become a subject for debate. No national monitoring system makes school results public, which makes it difficult for local authorities or the public to participate in quality control. There are no quality indicators with which to judge the quality of work by its results. Moreover, even the limited control exercised by the inspectorate and by school principals is thwarted by insufficient financing and the limited number of regional inspectorate experts.

Financing

29. Table 1 presents some general and education-specific financial data on the amount and share of GDP devoted to school and higher education.

Table 1. Percent GDP Devoted to School and Higher Education

Financial data	1992	1993	1994	1995	1996	1997
GDP ¹ in billions of US\$	8.6	10.8	9.7	13.1	9.9	10.2
GDP per capita ⁴ in US\$	1 008	1 276	1 147	1 559	1 189	1 227
Education budget as a percentage of GDP	6.06	5.74	4.51	3.99	3.26	3.98
As a percent of total expenditures	13.73	11.42	10.02	9.20	7.31	8.76

¹At price and exchange rates for the respective year, without taking inflation into account.

Sources: National Statistics Institute and Ministry of Finance.

30. Elementary and secondary education are financed from the MES or other line ministry budgets, with local contributions from municipal budgets, school resources, or donations. Until the 1998/99 school year, vocational schools were financed directly from the state budget through the budgets of the MES and other line ministries and administrations. As of school year 1999/2000, financing mechanisms have begun to be decentralized in order to move vocational schools toward municipal financing and away from the MES budget, so that their financing system resembles that of other municipal schools.

31. The approximately 3 000 municipally financed and maintained schools form the bulk of the schools in the system, and these will increase in number. A municipal budget is financed by municipal incomes and from the state subsidy. For fiscal year 1999, municipal incomes average about 65% of all municipal budgets; the state subsidy represents the other 35%. These percentages vary substantially depending on the wealth of the municipality. In very poor municipalities, the state subsidy can account for 80% of the budget, while for the richer municipalities (like Sofia, Plovdiv, Bourgas), it is close to zero.

32. The state budget subsidy for each municipality is calculated annually using a complex formula that includes some education indicators such as numbers of classes and students. Municipalities receive a state budget subsidy in a monthly lump sum earmarked for education, health care, social security/services, and culture. Within the state budget subsidy, education constitutes about 25% of all expenditures. In most municipalities, educational expenditures average between 28 and 38% of the whole municipal budget. The Municipal Council votes an annual budget and determines how funds are to be distributed. According to Douglas Adkins,⁵ during the last years, from 60 to 70% of all educational budgets in the country are spent on salaries.⁶

33. Municipal schools do not define or control their own budgets. All funds go from the united municipality accountant office on a per activity basis, which limits schools' capacity to mobilize funds from other sources. Complementary financing by benefactors or participation in international projects depends primarily on a principal's contacts and abilities, and is more the exception than the rule.

34. In the current economic environment, school powers will have to grow and the units within the system of national education will pursue opportunities to increase their own resources to offset declining budgets. In order to create the conditions for decentralized financial management of secondary education, the Council of Ministers approved Ordinance No. 30/9.2.98, giving public schools and units in the

⁵ Douglas L. Adkins, 1999. *School Finance in Bulgaria in an Era of Educational Reform*, Adkins Associates, Inc., for the World Bank.

⁶ A subject of concern is whether loose accountability procedures allow local governments to report spending categories inaccurately. For example, municipal figures for 1997 indicate total spending on teacher training of 56 million Leva (1 BGL = 1 DM). This contradicts the perception of a majority of school principals and municipal educational specialists interviewed who complain of very limited or nonexistent budgetary resources for teacher training, and is also inconsistent also with data provided by the three teacher-training institutions.

Nesebar, Kyustendil, Blagoevgrad, and Silistra municipalities the right to prepare and manage their own budgets. The clear intention here is to gradually increase the number of municipalities applying the delegated-budget pattern until all municipalities and schools are involved.

System Problems: An Analysis⁷

35. As a system in transition, the education sector in Bulgaria experiences unbalanced allocations of responsibility and authority, along with weak accountability mechanisms.

Local Authorities, Inspectorates, and School Principals

36. In order for the system to be effectively managed, given the current distribution of power among local authorities, school principals, and the educational inspectorate, considerable coordination is necessary. Unfortunately, successful coordination is more the exception than the rule. While the Bulgarian education reform specifically targets decentralization, local authorities participate only to a very limited degree in decisions concerning educational quality, despite the fact that they finance and maintain schools. Indeed, they have neither legal access to the results of inspectorate quality control exercises, nor the proper tools to influence schools.

37. Large municipalities have more money, time, and people to allocate for education and a far larger field for maneuvering than do small municipalities, despite their legal equality. However, few real accountability mechanisms ensure the proper allocation of the education budget among different functions. Given a general lack of a real educational management culture and awareness of the importance of activities such as teacher training or the provision of education materials, financial decisions by local authorities may be creating serious quality problems.

38. A school principal must defend school policy mainly to the local authorities, who control school facilities and equipment, as well as critical information concerning student and teacher numbers. A principal develops curricular policy only for electives, which account for 10% of the curriculum at most, and can make decisions with the school pedagogical council on a school's orientation. However, the local municipal council must accept every proposed educational activity, such as early foreign language teaching, and the inspectorate must then approve the decision in a largely formal process. Paradoxically, surveys show that school principals see their management role as assuming and carrying out responsibilities rather than as providing links in the governing system. Their primary problem is juggling their very different managerial and pedagogical functions.

39. Educational inspectorate experts see themselves as the weakest and most vulnerable links in the chain, rather than as mediators between rules and competencies. They are inclined to avoid responsibility rather than to consider the specifics of a local situation, largely because their formal rights and real possibilities simply do not match each other, partly because insufficient budgets prevent them from carrying out their quality control activities. The lack of coordination between inspectorates and municipalities may lead to a sense of impunity among school principals.

40. Most of the players in this triangle are unaware that they have a role to play together, and traditionally remain separate. They each consider themselves as a starting point in the decisionmaking

⁷ This section benefited from a survey, conducted in January 1999, of 10 municipalities and 30 schools (one elementary, primary, and general secondary school per municipality). Interviewees included 22 school principals, 10 heads of municipal educational departments, and 7 heads of educational inspectorates.

process rather than a link among players. Informal relations are very important in these processes, which creates a certain reticence to reveal networks and situations where actors assume more responsibility than they can bear. The enormous efforts required to resolve basic problems have worn out the players, who eschew decisionmaking and prefer either leaving responsibility to higher levels or ignoring problems altogether.

Parental Participation

41. Although school autonomy is widely recognized as a cornerstone of educational reform that must involve parents in school management, parents participate only symbolically in school life. This is due largely to outdated stereotypes of schools as virtually solely responsible for educating children. Every school is required to have a school board, although not every school does, and school principals are not sanctioned for failing to them. Where they do exist, school boards play only an advisory role.

42. School boards may be registered as juridical persons with bank accounts that can receive funds from personal grants, sponsorship, or any other form of voluntary financial aid, although the board does not fully control these funds. For example, it cannot use them to raise a teacher's salary. Parents therefore have little incentive to join school boards, and usually prefer having their children enrolled in prestigious language or technical schools rather than local schools where they are unwelcome by principals. Consequently, much of the decisionmaking power in school is in the hands of the school pedagogical council, which, in coordination with the school principal, acts as a professional and unopposed teachers' body.

43. New, elected community educational boards will be formed, with elections at the beginning of every school year. These boards are viewed as linking school boards and local authorities, and may eventually hire school principals. These boards could provide other, more indirect, channels of participation for parents.

Teacher Training

44. Changing the educational system requires changing the training and retraining systems. The three national teacher training institutes are monopolies whose activities and curricula are determined neither by teachers' real needs nor by central educational policy. They are not monitored or evaluated by any educational authorities, which makes it impossible to assess the true utility of the training. They are centrally funded and receive the greater part of local funds allocated for teacher training. Consequently, regional, local, and school-level teacher training services are not being developed; because training is not directly linked to promotions or salaries and does not influence educational or professional status, teachers have little interest in it.

45. Principals consider the teacher training system obsolete, unreliable, and heavily influenced on occasion by special interests. The inspectorate and municipal authorities describe it as dysfunctional and badly in need of change. The system stands outside of the school-municipality-inspectorate triangle, and its financing is influenced by informal and nontransparent interests and rules.

Vocational Education: A Special Case

46. Until recently, all vocational schools were state-owned and financed by the MES. But in terms of financing and maintenance, vocational education is evolving, as of the year 2000, in the direction of general education.

47. VET problems primarily center around the lack of any unified system of criteria and indicators for evaluation and the absence of a body for accrediting institutions offering VET services. This gives many public and private firms the possibility of organizing different forms of VET and certifying graduates without proper input and output control. This often results in underqualified workers. Despite the coordination and good cooperation between the MES and the Ministry of Labor and Social Policy, the current situation allows for double standards for getting qualifications in the same professional field.

48. There is clear proof of a shift from traditional occupations to new ones. Up to 50% of the current vocational training of certain skills may have to undergo profound changes, which will create a global, unavoidable problem for the Bulgarian VET system that will have to be addressed at all levels of government.

49. The MES and the National Statistics Institute have created a working group that has developed a model to determine VET needs in Bulgaria, and which will be used to optimize the VET school network at national, regional, and community levels. For example, the model will be applied to analyze the causes of unemployment when they are generated by a surplus of workers in a particular profession.

50. Another VET school problem that characterizes a transition economy is related to practical training in enterprises. The social partnership here occurs only occasionally. Most employers who are struggling to survive are uninterested in VET problems, with neither the means nor the incentive for long-term planning in human resources. This offers governments at different levels an opportunity to promote that part of industrial policy concerning proper vocational training of human resources.

Optimizing the School Network

51. How can the current school network be optimized? This question engenders the main controversy surrounding the education system's finances and effectiveness. Declining birth rates have already affected the school system, but the greatest impact will be felt in the coming years.

52. Every child is a national treasure especially because a dwindling population makes human resources scarce. At the same time, the worth of human capital is increasing, along with the role of education, in a century of knowledge and information production. Every nation therefore considers education a basic condition for prosperity. As the population drops, however, the size and capacity of the school network shrinks, which threatens educational quality and accentuates inequities. How can school networks be restructured to avoid lessening the quality of education and related services? How can restructuring improve them?

53. From the intergovernmental point of view, the contradiction is embodied by local and central authority conflicts around closing and opening schools. The conflict sharpens with the assessment of strengths and weakness: local authorities see a vocational school as a tool for local economic revival while the center sees too many schools preparing for vocations with little future. Too often, even now, when the ministry decides to close a particular vocational school, the local community finds ways, usually via their MPs, to reverse the decision. The same situation recurs very often in small or remote places where closing a school signifies the end of the local community that considers the alternatives ex post facto justifications of a prior decision.

Optimizing the school network should not infringe on educational quality and equity and quality – making educational opportunities available on the basis of such educationally relevant criteria as giftedness, aptitude, and hard work rather than geography, money, or connections. But local authorities must take this position themselves and broadly acceptable solutions must be found.

Education Standards and Accountability

54. The explicit desire for a transparent, accountable educational system runs counter to the general lack of criteria and indicators that could make educational results public and make comparisons among schools possible. The need for national educational standards is broadly felt, yet there is no clear definition, or notion of how to produce or implement such standards. Developing standards requires defining educational goals, articulating them in an outcome-targeted manner, and obtaining a wide base of social agreement about the major general and specific goals of education. Standards measure how well goals are being achieved. How else can measurable effectiveness, efficiency, and cost-related tradeoffs in education be addressed? Standards have implications for resource investments, measurement, and evaluating educational effectiveness and efficiency. A society in transition evolves slowly; old and new goals frequently coexist and evolve in different directions, reflecting different educational paradigms.

55. Two problems arise concerning the distribution of responsibilities. The first concerns allocating responsibilities for maintaining and verifying educational standards once they are in place. How will the different governmental levels coordinate information gathering and decisionmaking? The second concerns the role of local authorities in developing and implementing standards. Will there be regional and central standards, and if so, what will be their relationship?

56. It is very difficult to address these problems before standards are introduced and data exist on which to base discussion. In addition to a system of standards, a system for governing their use is also needed to ensure that every level is aware of its responsibilities and rights.

Recommendations

57. Reforming the education system to make it more effective in pursuing objectives of equity, efficiency, and quality will require a realignment of functions among participants. Currently at the school level, principals and pedagogical councils share most of the executive and decisionmaking power, while school boards, where they exist, have only advisory functions. Reversing this pattern will involve giving decisionmaking power to the principal and the school board and all executive power to the principal rather than to the pedagogical council, whose power would be limited to curricular decisions. Since the teaching staff that forms part of the council tends to act as a self-interested union, policy issues need outside opinions and monitoring to guarantee the interests of all involved.

58. These steps should strengthen the principal's executive power and open the school toward real community control and involvement. Reducing the decisionmaking power of the pedagogical council and transferring real power to the school boards should make school policies more responsive and adequate to the dynamic changes in the school environment. This in turn should create a dynamic equilibrium among key school stakeholders – schools, parents, employers, and the local community. Last, but not least, students should become more involved, and classroom dialogues and cooperation can grow as power shifts away from the pedagogical council.

59. Another aspect of this realignment involves giving municipalities more managerial authority – for example, the right to hire and fire school principals. But this needs to be matched by stronger accountability mechanisms, which may require combining methods.

60. Given the uncertainties surrounding the impact of current municipal budgetary decisions on educational quality, there may be a need to target and promote spending on a few budget items such as in-service teacher training, educational technology, or the provision of foreign language and civic education. One possible approach is to earmark specific percentages of the per-capita subvention for these purposes. This earmarking would have to be accompanied by stronger sanctions against municipalities with poor

educational budget performance and who do not respect annual audits. A second approach is to give municipalities financial incentives to offer support for educational quality and related issues.

61. In either case, central funds will be needed to support municipal projects. These mechanisms will require flexible and adequate coordination and negotiation between the Ministry of Education and Science and the Ministry of Finance. Priorities should be established and revised periodically. Specific regional priorities can also be included on the basis of regional educational policies and needs. Earmarking will wane as the educational management culture, awareness, and expertise of the municipalities evolve and the issues become a regular part of municipal budgets.

62. Increased accountability will require the means to mobilize community support, for example, through well-informed campaigns about municipal education performance. Schools and parents will need precise information, knowledge, and understanding of annual, centrally approved funding for their municipality. Information should be comparative, using neighboring or other competing municipalities, and based on standardized criteria.

63. As local participants become more powerful, the regional inspectorate would be the primary source of professional expertise and advice, while at the same time ensuring state policy, standards, and requirements. It should have indirect, consultative, and coordinating power for territorial administration. As the expertise, experience, and understanding of the key participants gradually increase, operational management and decisionmaking can be left to the school. The MES should support education rather than directly run it. This very complex process requires many new types of activities, or activities performed very differently, including information systems, assessment and evaluation systems, output standardization and measurement rather than input and process monitoring, and new quality control systems.

64. The planning, design, and implementation of reform mechanisms must be strategically organized. A MES strategic policy unit could be created to address reform issues. It would undertake the research, analysis, system monitoring, and different kinds of evaluation, including cost-effectiveness studies required to support policy, and would have the trained staff, international assistance, and communication and information technology facilities to deal with comprehensive databases.

Restructuring the In-Service Teacher Training System

65. Bulgaria needs a contemporary, flexible, customer-oriented, dynamic in-service teacher training system that is responsive to educational needs and that is decentralized to allow an educational services market to develop effectively in terms of educational outcomes. It should ensure quality control based on performance and accreditation of in-service delivering units, rather than on administrative measures and appointments, and should stimulate teachers to participate while requiring them to maintain a minimum level of state-defined on-going in-service activities.

66. The system should have several qualification levels based on accumulated in-service credits from short-term courses/programs, including compulsory and optional courses with outcomes defined in terms of knowledge, skills, and teacher competencies. Each program would lead to a certified examination. A national in-service framework curriculum should be designed by subject and cross-curricular themes and closely related to national school curriculum and standards.

67. A cascade model of training might be a cost-effective alternative. A network of methodology teachers would bring training activities to regions, municipalities, and schools to disseminate new teaching methods and practices to improve teaching. This process has already begun in foreign language teaching and will continue in other subject areas. Networks will also develop as a result of the improved dissemination of new teaching methods.

68. Training and certification must be independent, which can be accomplished by creating an independent national in-service accreditation agency for teacher training programs and services. An independent, national in-service examination body, with a few full-time administrative employees, should be created to examine, assess, and certify teachers for different qualification levels. Exams could be organized in sessions, and a pool of examiners made available for particular sessions. The current legislation that entitles central teacher training institutes to teach and to certify teachers should be entirely abolished.

69. An appropriate information system should be developed to support these agencies and to make the necessary information available to customers. A performance-based rating of programs and services based on teachers' examination results in teacher training unit courses can be provided. A system of teacher qualification transcripts should be designed to document courses taken, register corresponding credits, and qualification levels.

70. Many teachers will need to be retrained in areas such as information technology and knowledge-related services, education and training technologies and related services, human resource development, communication, office skills, social services, and other areas. Unemployed teachers could be retrained; teacher training units could broaden the scope of their activities and enter the growing area of knowledge-based, information-based, and educational technology-based services. Since the Ministry of Labor and Social Policy oversees dedicated social programs for coping with unemployment, a cost-effective, joint unemployment program could be developed between the two ministries. In any case, a realistic teacher promotion system should be developed, based on acquired qualifications and classroom results. The system must lead to considerable salary benefits and better career opportunities.

71. Accredited training units should compete to provide services. Assessment criteria could be based on several indicators – performance rating list, unit evaluation results or characteristics and capacity, service usability and customer convenience, geographical allocation, delivery, program costs and customer expenditures, etc. If public money is to be used effectively and efficiently, the system can no longer be based on a central allocation of funds to an administratively appointed institution. If any in-service institutions or units must be maintained, quality control and accountability mechanisms must be very strong and, where possible, market-like behavior and working style should be imposed.

72. Municipal/school resources would be the primary source for the required minimum ongoing teacher training. Resources would come through the regular municipal education budget for teacher training and might be earmarked. The MES budget should provide a second source of funds and could address such priority national needs as new curriculum/standards/programs, national educational priorities (foreign languages, ICT, etc.) and state teacher training structures (agencies, commissions, national councils, and examination boards, etc.). Grants might be used for approved projects for personal development in new teaching areas, pedagogy, classroom practices, and innovative practices..

Improving Vocational Education Through Institutional and Industry Collaboration

73. The VET Act stipulates the creation of a National VET Agency as a juridical person financed by the state budget. Its responsibilities comprise a wide range of activities related to accreditation, licensing of VET and career guidance centers, and advice to MES on issues concerning the development of state educational requirements for professional qualifications. This agency is similar to many organizations, established in European Union countries, that have had a positive influence on their VET systems. After the agency is created and operating, it can be assessed and improved.

74. VET planning must consider labor market changes and regional trends in the workforce structure. We recommend a National Unit, established jointly by the MES, the Ministry of Labor and Social Policy, and the National Statistics Institute, that integrates the data and approaches used in Western Europe and other industrialized nations for determining VET needs. The MES will supply data about schools and their graduates, the National Employment Service will supply data about the structure of unemployment and unoccupied work places, and the National Statistics Institute will supply data related to the situation in different professional fields. Unit members should have current information about the best international practices in labor market analysis, particularly in VET needs prognostics.

75. Different levels of government must do everything in their power to make the social partners aware of their responsibilities toward those in vocational schools and toward the VET system as a whole, and to look beyond their particular short-term interests. They should take an active part in shaping policy for resolving the serious youth unemployment issue, and should offer jobs and incentives for vocational school graduates.

76. Dialogue and cooperation between employers and local educational authorities must be generated. Employers could play a vital role in assuring students internships that could complement their school training. They should be involved in VET curriculum development, assuring the quality of training at the workplace. Issues concerning financing practical workplace training could be negotiated by these bodies as well. Available funding should be directed to those employers that can deliver practical training in accordance with school standards.

Optimizing the School Network

77. Changes in the school network must guarantee that educational goals are reached effectively; that human and financial resources are efficiently used; and that schools continue to serve their communities. The vocational school network has specific problems related to demography and to the problems of transition of the system of professional qualification and training to a contemporary, open market economy.

78. Criteria for optimizing the school network must be centrally established and regulated, but decisions should be left to the discretion of local authorities. This issue has to be made public and the decisions must be prepared in conjunction with scientific institutions, trade unions, employers' organizations, and other concerned groups. Social issues, which could be seriously affected by network-related decisions, must be taken into account.

79. Implementing programs to optimize the school network will depend on the new Territorial Division and Local Administration Law. Studies and local pilot projects could be conducted by local and central authorities to see how other types of education might help classical forms of education in remote and rural areas. Solutions could include reorganizing schools with dispersed structures, boarding schools, distance learning, etc. Some of these would clearly require a new model of coordination and partnership between local authorities and the inspectorate, and redefine the pattern of educational work.

80. As the national school network is rebuilt into a three-tier system – community, region, and state – new state educational requirements must be introduced. Some bear directly on the school network, others affect or are affected by school network problems.

81. Every effort must be made to keep elementary schools (grades 1-4) open. Children with special educational needs are typically isolated in special schools that become a subnetwork. School network policy should be oriented toward gradually integrating these students into the mainstream.

Introducing National Educational Standards

82. Introduction of state educational requirements, or standards in education, is an important vehicle for improving educational quality. As educational standards are developed, a deliberate social debate and intensive work on the major general and specific educational goals of school education in Bulgaria must be launched and could begin by assessing needs, starting from desired outcomes and moving through outputs, products, processes and, finally, system inputs. Assessment and examination must be more thoroughly addressed, and a special policy designed and implemented as a part of ongoing changes in the educational system.

83. Curriculum developers need special training. The training program must be developed jointly by the MES, foreign partners, Bulgarian educators, and concerned educational institutions.

84. The general move toward decentralization of the education system suggests different types of school accreditation. This may vary by purpose (e.g., optimizing the school network, periodic evaluations, opening/restructuring/closing schools, etc.), to type of school (professional and vocational schools seem to need and insist on more formal and firm accreditation procedures and mechanisms), and subject (e.g., school infrastructure and facilities, correspondence between services and state requirements and standards, educational quality, teacher qualification, etc.). Accreditation must be a national undertaking. It could be carried out by the ministry alone or with special accreditation bodies, the inspectorate, and the municipalities. Accreditation should be based on criteria applied equally to state, local, or private owned schools.

85. An information system for accreditation procedures should be established to serve the top management of the MES, concerned state authorities and ministries, parents and students, the education inspectorate, local authorities and communities, school authorities and staff, the society at large.

86. The National Institute for Education, which must become more independent, should play more of a role in curriculum development, assessment, and evaluation, and should work on state educational requirements. Its statute must be developed under the provisions of the Higher Education Law.

87. Valid, reliable, objective assessment of student achievement is a prerequisite for proper certification and monitoring. The Center for Evaluation and Assessment of the National Institute for Education needs more staff and resources, and its staff must receive proper training.